



AusNet Transmission Group Pty Ltd

Independent Assurance Report on
Annual Ring-fencing Compliance for
the period ended 31 December 2025



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EXECUTIVE SUMMARY

Introduction

AusNet Transmission Group Pty Ltd (“ATG”) and AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust (“AIT”), are licensed transmission network service providers (“TNSP”). ATG/AIT operations are subject to the National Electricity Law (“NEL”) and National Electricity Rules (NER) which regulate the National Electricity Market (“NEM”).

The Australian Energy Regulator (“AER”) is the economic regulator over transmission network service providers (“TNSPs”) in the national electricity market (“NEM”). The role of AER includes monitoring compliance with the Ring-fencing Guidelines – Electricity Transmission Version 5 (the “Guideline”) issued under clause 6.17.2. of the National Energy Sector Rules. The Guideline was amended on 24 February 2025 to Version 5 and is applicable for TNSPs from 24 August 2025 under the National Electricity Rules, to provide for accounting and functional separation of regulated and competitive business activities to competition in the provision of electricity services.

TNSPs are required to prepare an annual report on ring-fencing compliance for submission to the AER. This compliance report must include:

- the measures the TNSP has taken to ensure compliance with its obligations under the Ringfencing Guideline
- any breaches of the Ring-fencing Guideline by the TNSP, or which otherwise relate to the TNSP
- all other services provided by the TNSP in respect of Clause 3.1 in the Ring-fencing Guideline
- the purpose of all transactions between the TNSP and an affiliated entity.
- the proportion of the total number of connection applications received by the TNSP in that calendar year that include the provision of contestable electricity services solely by a related electricity service provider of the TNSP;
- the proportion of the total number of connection applications received by the TNSP in that calendar year that include the provision of contestable electricity services by a person other than a related electricity service provider of the TNSP.
- for connections commissioned in that calendar year that have included the provision of contestable electricity services by a related electricity service provider, the average time between initial receipt of the connection application and the commissioning of the connection.
- for connections commissioned in that calendar year that have not included the provision of contestable electricity services by a related electricity service provider, the average time between initial receipt of the connection application and the commissioning of the connection

In accordance with Ring-fencing Guideline clause 6.2.1(c), TNSPs are required to accompany their annual compliance report with an assessment of compliance, performed by a suitably qualified independent authority.

Scope

Ernst and Young (“We” or “we”) have been engaged to perform a “reasonable assurance engagement” as defined by Standards on Assurance Engagements, pursuant to Section 6.2.1 (c) Compliance Reporting of the Guideline to report on AusNet’s compliance with the Guideline for the period 1 January 2025 to 31 December 2025.

Methodology

ATG/AIT has prepared an annual compliance report under the Guideline for the period from 1 January 2025 to 31 December 2025.

We obtained an understanding of the Guideline and other engagement circumstances specific to ATG/AIT, sufficient to enable the identification and assessment of the risk of non-compliance with the Guideline in the annual compliance report for the period from 1 January 2025 to 31 December 2025.

We tested the obligation clauses as per the Guideline and conducted interviews with key stakeholders to understand how ATG/AIT satisfies each obligation. From our interviews we identified the relevant policies and procedures, processes and controls that management has put in place to satisfy each obligation.

We performed an analysis of the controls that management has put into place to comply with each obligation, to understand whether control gaps exist which could enable an obligation to remain unsatisfied.

We conducted limited sample testing of the identified controls where applicable to determine whether ATG/AIT complied, in all material respects, with the Guideline for the period from 1 January 2025 to 31 December 2025. Our sample sizes are determined using professional judgement.

We have reviewed the annual compliance report prepared by ATG/AIT for the period ended 31 December 2025 as part of our process of understanding the overall compliance strategy, internal controls in place and findings reported during the year.

Compliance has been assessed to a level of reasonable assurance in accordance with Standard on Assurance Engagement ASAE3100 Compliance Engagements, based on sample sizes determined using professional judgement.

Conclusion

There were no compliance breaches noted for the period from 1 January 2025 to 31 December 2025. Our audit conclusion is contained in our Assurance Report on Page 29 and 30 of this report.



EXECUTIVE SUMMARY

Changes to the TNSP and Its Environment

AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust (AIT) was granted an electricity transmission licence on 11 December 2024 to undertake large-scale contestable transmission projects for new connecting parties. AIT was established to deliver non-regulated and contestable transmission works, including contestable terminal stations. Subsequent connection and augmentation activities relating to those terminal stations are treated as negotiated transmission services and are performed by DFN. Management noted that, as at the date of our review, ring-fencing operations have not yet commenced within AIT 1. However, as AIT 1 includes assets that are expected to form part of the declared shared transmission network, the Ring-fencing Guideline is applicable to the entity.

In addition, AusNet Infrastructure No. 2 Pty Ltd, as trustee for AusNet Infrastructure No. 2 Trust (AIT 2), was granted an electricity transmission licence on 23 July 2025. Management noted that AIT 2 did not, at any point during the period from licence grant on 23 July 2025 to 31 December 2025, hold assets or undertake activities that provide negotiated transmission services. Accordingly, the Guideline was not applicable to the entity for the period.

The AER released Version 5 of the Transmission Ring-fencing Guideline in February 2025. In response, AusNet implemented a number of organisational and operational changes to support compliance with the updated requirements.

- Following an organisational restructure in late 2024, AusNet reviewed and updated the classification of teams based on the transmission services they provide, distinguishing between prescribed transmission services and negotiated transmission services. The Transmission Line of Business (LoB) now delivers both prescribed and negotiated transmission services, while parts of DFN primarily deliver contestable transmission services.
- In addition, AusNet implemented a comprehensive program of work to achieve compliance with Version 5 prior to the compliance date. This included establishing a framework to manage transitional and grandfathered projects, delivering targeted Version 5 training to relevant teams, updating key ring-fencing policies and protocols, developing new reporting methodologies for related electricity service providers, and reviewing digital systems to strengthen information barriers for high-risk roles.



EXECUTIVE SUMMARY (CONTINUED)

This section provides a summary of the results of our procedures, including our assessment of the compliance rating, control effectiveness rating, observations and recommendations (where applicable) with regards to AusNet Transmission Group Pty Ltd (“ATG”), AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust (“AIT”)’s ring-fencing obligations.

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NOT EFFECTIVE

Not Effective

Controls in place are not effective in meeting the obligation of the Ring-fencing Guideline.

PARTIALLY EFFECTIVE

Partially Effective

Controls in place are partially effective in meeting the obligation of the Ring-fencing Guideline.

EFFECTIVE

Effective

Controls in place are effective in meeting the obligation of the Ring-fencing Guideline

Section	Obligation	ATG compliance rating	EY Control Assessment
3.1	Legal Separation	Compliant	Effective
3.2.1	Establish and maintain Accounts	Compliant	Effective
3.2.2	Cost Allocation and Discrimination	Compliant	Effective
4.1	Obligation not to discriminate	Compliant	Effective
4.2	Information access and disclosure	Compliant	Effective
4.3	Staff separation	Compliant	Effective
4.4	Service Providers	Compliant	Partially Effective
5	Waivers	Compliant	Effective
6.1	Maintaining compliance	Compliant	Effective
6.2	Compliance reporting	Compliant	Effective
6.3	Compliance breaches	Compliant	Effective

Summary of Observations (All categories)	NOT EFFECTIVE	PARTIALLY EFFECTIVE	EFFECTIVE
Reported in the 2024 independent assurance report	0	3	8
Closed 2024 findings	0	(3)	3
New points raised in 2025	0	1	(1)*
Total Open or in progress findings for 31 December 2025	0	1	10

* The control assessment associated with the observation reported in 2024 moved from Effective to Partially effective in 2025



2025 OBSERVATIONS - OPEN

Clause	Obligations	Compliance rating / Controls rating	Observations	EY recommendation
4.4.1 (a)	A TNSP must ensure that any new or varied agreement between the TNSP and a service provider, for the provision of services to the TNSP that enable or assist the TNSP to provide prescribed transmission services or negotiated transmission services, requires the service provider to comply, in providing those services, with clauses 4.1, 4.2.1 and 4.3 of this Guideline (where applicable to those services) as if the service provider was the TNSP; and	Compliant PARTIALLY EFFECTIVE	<p>We observed the following :</p> <ul style="list-style-type: none"> Based on our review of the standard Terms and Conditions template published on ATG’s website, we noted that while the substantive ring-fencing provisions have been updated to reflect the requirements of Ring-fencing Guideline Version 5, the definitions section continues to reference Ring-fencing Guideline Version 4. As a result, there is an inconsistency between the defined terms and the updated ring-fencing provisions applied within the template. Based on a sample of contracts and contract variations entered into between 1 January 2025 and 31 December 2025, we noted that all contracts determined by ATG to be in scope of the Guideline either included a ring-fencing provision directly or referred to a panel agreement containing such a provision. However, in one of the five agreements sampled, the ring-fencing provisions applied were aligned to Guideline Version 4 rather than Version 5, which includes additional requirements relating to “negotiated transmission services”, however, these requirements did not have application in this instance, as the services provided did not constitute prescribed or negotiated transmission services under the Guideline. 	<p>We recommend that ATG update the definitions section of its standard Terms and Conditions template to reference Ring-fencing Guideline Version 5 instead of Version 4 on ATG’s website for clarity, and that in future versions the most recent version be referred to.</p> <p>The control to ensure timely and consistent review and update of standard terms and conditions was partially effective due to incomplete update of the public-facing Terms and Conditions template following the issuance of Guideline Version 5, notwithstanding that executed in-scope agreements were appropriately updated.</p>



2024 OBSERVATIONS - RESOLVED

The following table outlines ATG’s responses and actions taken against our recommendations in response to our 2024 findings as well as our relevant observations and findings in the current year.

Clause	Obligations	Compliance rating/Controls rating	Observation	EY recommendation	AusNet Transmission Group Pty Ltd's remediation performed
4.1(c)	<p>Without limiting its scope, clause 4.1(b) requires a TNSP to:</p> <p>i. in dealing or offering to deal with a related electricity service provider, treat the related electricity service provider as if it were not a related electricity service provider (that is, as if it had no connection or affiliation with the TNSP).</p> <p>ii. in like circumstances, deal or offer to deal with a related electricity service provider and a competitor (or potential competitor) of the related electricity service provider on substantially the same terms and conditions.</p> <p>iii. in like circumstances, provide substantially the same quality, reliability and timeliness of service to a related electricity service provider and a competitor (or potential competitor) of the related electricity service provider;</p> <p>iv. subject to clause 4.2.2(b), not disclose to a related electricity service provider information the TNSP has obtained through its dealings with a competitor (or potential competitor) of the related electricity service provider where the disclosure would, or would be likely to, provide an advantage to the related electricity service provider.</p>	<p>Compliant</p> <p>EFFECTIVE</p>	<p>We observed in previous years that there are several historical statements of work (“SOWs”) relating to calibration and testing that remained in place between Mondo Metering Pty Ltd (“Mondo”) and ATG which had not been market tested through formal procurement processes.</p>	<p>We recommended that ATG reviews these SoWs and puts these services through formal procurement processes (i.e. market testing or benchmarking) before granting any extension to these SoWs.</p>	<p>In 2025, management reviewed the historical SOWs between Mondo and ATG to assess their continued relevance following organisational changes and to consider expiry timing and the appropriateness of market testing or benchmarking. Management concluded that the Technical Services and Metering SoWs relate to internal shared staff arrangements and do not constitute affiliated transactions for the purposes of the Ring-fencing Guideline for which benchmarking is not required.</p> <p>Further, management also reviewed the arrangements reflected in SoWs between ATG and AusNet Electricity Services Pty Ltd (“AES”) relating to Technical Services, and assessed whether, in substance, these arrangements result in affiliated transactions and concluded that shared staff who report through the Transmission Line of Business perform work across multiple lines of business, with costs attributed to respective cost centres in accordance with ATG’s approved Cost Allocation Method (CAM). In ATG’s view, such arrangements involve a process of cost attribution, rather than affiliated transactions. Cost attribution involves costs being recorded against the cost centre that caused them, at actual cost, under a methodology consistent with ATG’s CAM, and does not involve a discrete service being provided from one entity to another. The attribution methodology is reviewed and subject to annual audit in connection with the submission of AES and ATG responses to annual information orders. On this basis, ATG’s view is that no affiliated transactions currently exist between ATG and AES with respect to the Technical Services SoW.</p> <p>As management has performed an assessment and concluded that these arrangements do not constitute affiliated transactions under the Ring-fencing Guideline, no recommendation has been raised in respect of these SoWs.</p>



2024 OBSERVATIONS - RESOLVED

The following table outlines ATG’s responses and actions taken against our recommendations in response to our 2024 findings as well as our relevant observations and findings in the current year.

Clause	Obligations	Compliance rating/Controls rating	Observation	EY recommendation	AusNet Transmission Group Pty Ltd's remediation performed
4.1 (b)	A TNSP must not discriminate (either directly or indirectly) between a related electricity service provider and a competitor (or potential competitor) of a related electricity service provider in connection with the provision of prescribed transmission services or negotiated transmission services by the TNSP (whether to itself or to any other legal entity).	Compliant EFFECTIVE	We noted that the specific DF&N teams had been provided with ring-fencing training in 2023 and are aware of the requirements for the ring-fencing clauses, however, the Ring-Fencing Transmission policy training module was not rolled out for all employees until April 2025.	We recommended that management consider reviewing the training rollout process to ensure that all teams receive timely and consistent training. This could enhance compliance and ensure that all employees are adequately prepared to meet the ring-fencing requirements.	<p>We noted our recommendation was adopted and AusNet rolled out a Transmission ring-fencing training module applicable to all staff on 19 March 2025, as follows :</p> <ol style="list-style-type: none"> 1. all employees complete annual ring-fencing compliance refresher training in Success Factors 2. new starters complete Distribution Ring-fencing Guideline and Transmission Ring-fencing Guideline compliance training in Success Factors within 60 days of start date. <p>Based on our testing of the 2025 training completion report, we noted that the Transmission Ring-fencing training was completed by all employees as at 31 December 2025, except for two employees. Accordingly, given the immaterial number of exceptions and the overall completion rate, we conclude that the control was operating effectively to ensure compliance in 2025.</p>

2024 OBSERVATIONS - RESOLVED

The following table outlines ATG’s responses and actions taken against our recommendations in response to our 2024 findings as well as our relevant observations and findings in the current year.

Clause	Obligations	Compliance rating/Controls rating	Observation	EY recommendation	AusNet Transmission Group Pty Ltd's remediation performed
4.2.1	<p>Subject to this clause 4.2, a TNSP must:</p> <ul style="list-style-type: none"> a. keep ring-fenced information confidential; and b. only use ring-fenced information for the purpose for which it was acquired or generated. 	<p>Compliant</p> <p>EFFECTIVE</p>	<p>We note that ATG has a decision tree in place as a broader Ring-Fencing policy during the period where staff are required to protect, and only disclose, Ring-Fenced Information in accordance with this Policy and the Guideline. We obtained documentation of the project scope and purpose. However, through discussions with management, noted that this Ring-Fencing review did not involve a review of IT access for the relevant systems which holds the ring-fencing information.</p>	<p>We recommended management put in place additional ring-fencing monitoring measures (eg monitoring of frequency of the employee accessing ring-fencing information). Some suggestions were as follows:</p> <ul style="list-style-type: none"> • We recommended identifying the systems that hold the ring-fenced information relevant for transmission ring-fencing other than SAP. • We recommended management identifying a list of high-risk employees who have access to relevant ring-fencing information, decision making authority and financial incentives linked to both ATG and Mondo performances. • We recommended management perform periodic SAP access reviews on CES users and other systems identified, to detect and prevent any unauthorised access to ring-fencing information. 	<p>In 2025, our recommendations were adopted as follows:</p> <ul style="list-style-type: none"> • ATG conducted a holistic review of digital systems to identify systems (other than SAP) that may hold ring-fenced information related to transmission and implement restrictions to system access accordingly and information access including Version 5 of the Guideline (where obligations extend to negotiated transmission services). • Management identified specific teams within CES that are required to be ring-fenced from Transmission ring-fenced information, namely the Contestable Connections Team and the Distributed Energy Team. These teams were assessed as higher-risk employees and their access to ring-fenced information was restricted. • ATG performed a ring-fencing system access review in December 2025, and EY obtained and inspected documentation supporting the review. During our procedures, we identified four employees within the contestable line of business who were not included within the review population due to employee movements during the year (including leavers and internal rotations) and timing differences between data extracts. EY independently assessed the system access held by these employees and confirmed that access to ring-fenced information was appropriate. No inappropriate access was identified, and the control operated effectively during the period.

DETAILED OBSERVATIONS

Refer to detailed observations relating to each provision of the Guidelines per section 6.2.1(c) below:

Obligation: Prevention of cross subsidies – Section 3

Guidance Assessment Criteria and Assessment Controls

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
3.1(a) Compliant	A TNSP must be a legal entity.	<p>AusNet Transmission Group Pty Ltd (“ATG”) is a legal entity.</p> <p>AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust (“AIT”) is a legal entity and was granted an electricity transmission licence on 11 December 2024.</p> <p>ATG/AIT’s legal entity structure complies with the legal separation requirements of the Guideline.</p>	<p>We performed an ASIC search on ATG and AIT to ensure that it is a separate legal entity. To undertake the search, we used ATG and AIT’s ABN number as noted on the transmission licence approved by AER.</p> <p>We obtained and inspected the Ring-fencing Policy which demonstrates that it complies with AER’s requirement on legal separation.</p>	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG’s compliance against the obligation.</p>



Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
3.1(b),(c) Compliant	<p>(b) Subject to clauses 3.1(c), (d) and (e), a TNSP may provide transmission services, but must not provide other services.</p> <p>(c) Clause 3.1(b) does not prevent:</p> <ul style="list-style-type: none"> i. an affiliated entity of a TNSP from providing other services; and ii. a Regulated DNSP and a TNSP from being the same legal entity, in which case, a TNSP who is also a Regulated DNSP, can provide any distribution services in accordance with the Distribution Ringfencing Guideline. 	<p>All arrangements entered by ATG/AIT are assessed by the ATG Procurement team and Legal team to ensure compliance with the Guideline.</p> <p>Any contract (whether it be a new contract or a variation to an existing contract), requires legal review and approval. On that basis, the AusNet legal team monitors contractual activity to ensure that no such contracts/variations are entered into without an AER waiver.</p>	<p>Discussion held with: Compliance Manager Legal Counsel Regulatory Compliance Officer</p> <p>Procedures performed: We obtained the Electricity Transmission License to ensure that ATG/AIT can provide transmission services. We obtained and inspected the Ring-fencing Policy which demonstrates that it complies with AER's requirement on legal separation. We inspected ATG's corporate website and sighted the ongoing projects and and considered whether all services provided by the TNSP is in relation to transmission services only. We made enquiries regarding permissibility of the following projects under the Guideline which had been identified in current year</p> <ul style="list-style-type: none"> • Wind Farms projects - Negotiated transmission connection projects performed by ATG under which third party customer pays for services themselves via a Use of System Agreement with AEMO. There is no involvement of Mondo. • Western Renewable Link - ATG has contracted with AEMO to deliver the Western Renewables Link, a 190km long high-voltage electricity transmission line. The proposed route will run from Bulgana Terminal Station to Sydenham Terminal Station. There is no involvement of Mondo. 	<p style="text-align: center;">EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG's compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
3.1(c) Compliant	<p>A TNSP must not;</p> <p>i. Enter into any new agreement</p> <p>ii. Agree to a material variation to an existing agreement</p> <p>Where such new or varied agreement grants another legal entity the right to use any energy storage device which is owned, operated or controlled by the TNSP, unless it is for the dual purpose of providing that TNSP with network support service.</p>	<p>Any contract (whether it be a new contract or a variation to an existing contract), requires legal review and approval. On that basis, the AusNet legal team monitors contractual activity to ensure that no such contracts/ variations are entered into without an AER waiver.</p> <p>During CY25, ATG did not enter into any new agreement, or material variation to existing agreement, to grant a third party the right to use an energy storage unit owned, operated or controlled by ATG (as TNSP).</p>	<p>Discussion held with: Compliance Manager Legal Counsel Regulatory Compliance Officer</p> <p>Procedures performed: We obtained and inspected the Ring-fencing Policy which demonstrates that it complies with AER’s requirement on legal separation. We inspected the process undertaken by management to ensure all arrangements were correctly identified and in compliance with the Guidelines by performing the procedures outlined below:</p> <ul style="list-style-type: none"> We enquired if there were any new projects or variation of existing projects that had taken place during the period. We obtained the existing Master Procurement Agreement (MPA) and Statements of Work (SOW) that exist between ATG and Mondo and confirmed it did not provide the right of use of any energy storage device which is owned, operated and controlled by ATG. 	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG’s compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
3.2.1 (a) Compliant	A TNSP must establish and maintain appropriate internal accounting procedures to ensure that it can demonstrate the extent and nature of transactions between the TNSP and its affiliated entities.	<p>ATG developed an Accounting Policy Manual specific for transactions with affiliated entities in December 2017. The policy defines related party and affiliated entities, also details how profit and loss and balance sheet transactions are identified and reported separately. It also outlines intercompany transactions with related parties must be offered on the same terms that it would to an unrelated party.</p> <p>ATG has the obligation to have the transactions with affiliated entities in an arm's length basis. For example, all intercompany transaction can be clearly identified by intercompany GL, partner company code or by the presence of a "trading partner" field within SAP. The cost allocation methodology generates intercompany receivables and payables that are recorded in the financial statements.</p> <p>ATG maintains records of transactions with related parties and is required to disclose these transactions in its financial statements.</p> <p>Mondo related party transactions are captured via intercompany transactions. Related Party transactions with Geomatic.AI (Geo-Spatial engineering provider formerly controlled by AES, but an 80% stake was divested in February 2022 leaving AES with 20%) are identified in SAP via a customer or vendor code. All revenue has a customer code and all operating expenses have a vendor code. Related party customers and vendors are set up in SAP with an 'RPT-xxx' as an identifier.</p>	<p>Discussion held with: Compliance Manager Energy Regulation Special Counsel Regulatory Accounting Manager</p> <p>Procedures performed: We obtained and inspected the ATG internal accounting procedure manual - "Transactions with affiliated entities" and noted that it addressed transactions between ATG and its affiliated entities. We obtained and inspected the transaction report between ATG and affiliated entities in which the accounting treatment was noted to be consistent with the internal accounting manual. As at the date of this report, ATG is generating the transaction listing between ATG and its affiliated entities. We assessed management's process to identify affiliated entities by sighting related party identifier codes in the SAP system, in the specific format of RPT-xxx. We enquired with management of the existence of any new identified related parties during the year that should be considered from a ring-fencing perspective.</p>	<p>EFFECTIVE</p> <p>Based upon the discussions held and procedures performed, no exceptions were noted on ATG' compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
3.2.2 Compliant	<p>a) A TNSP must allocate or attribute costs (including costs allocated or attributed to the TNSP by a parent entity) to distribution services in a manner that is consistent with the Cost Allocation Principles and its approved CAM, as if the Cost Allocation Principles and CAM otherwise applied to the allocation and attribution of costs between transmission services and other services</p> <p>b) A TNSP must only allocate or attribute costs to transmission services in accordance with clause 3.2.2(a) and must not allocate or attribute other costs to the transmission services it provides.</p> <p>c) A TNSP must establish, maintain and keep records that demonstrate how it meets the obligations in clauses 3.2.2(a) and 3.2.2(b).</p>	<p>ATG's Cost Allocation Methodology (CAM) is documented within the Accounting Policy Manual, which is updated every five years and approved by AER. The Finance team has assessed the current version of the CAM and noted that it is consistent with the Cost Allocation Principles under the Ring-fencing Guideline, including the extended cost allocation requirements. The CAM requires cost allocation not only between direct control services and other distribution services, but also between distribution services and other services.</p> <p>ATG operating costs fall into three categories. Labour costs are generated through the payroll system and are either directly attributed to asset-related work codes and activities through job orders, projects and timesheets, or allocated using an approved cost driver approach. Material costs and invoiced contract and service costs are directly attributed to asset-related work codes where possible, with remaining costs allocated using cost drivers. Certain costs, such as property taxes, licence fees and network charges, are directly costed through system-based general ledger attribution due to their nature.</p> <p>SAP company codes, cost centres, accounts and project numbers are used to support accurate allocation of both direct and indirect costs. Direct costing is supported by established processes including project creation and approval under the business case policy, time sheeting, invoicing, procurement and accounts payable, and material receipting in accordance with logistics policies.</p> <p>Shared and overhead costs are allocated using a cost driver approach, with drivers calculated quarterly by Corporate Finance using a cascading methodology. This includes time-sheet based drivers for cost centres where timesheets represent the majority of activity, financial or non-financial metrics (such as revenue or EBITDA) for business support functions, and average allocation profiles for management cost centres based on their reporting hierarchy.</p> <p>Finance performs quarterly analysis of financial results on a cost allocation basis for each regulated network and ATG's unregulated businesses. Costs below the EBIT line, including finance costs and corporate tax, are considered at the corporate level. Allocation drivers are maintained and amended only through formal review and approval processes. AES maintains appropriate records to support cost allocation outcomes, including quarterly CAM input files.</p>	<p>Discussion held with:</p> <p>Compliance Manager Legal Counsel Regulatory Accounting Manager Regulatory Compliance Officer</p> <p>Procedures performed:</p> <p>We obtained and inspected the CAM, noting that it addressed the allocation and attribution of costs between distribution services and non-distribution services.</p> <p>We have checked that ATG's existing CAM was approved by the AER.</p> <p>We assessed the process undertaken by the finance team to allocate and attribute costs to distribution services and note that it was aligned with the existing CAM.</p> <p>We obtained and inspected the December 2025 percentage input file for the CAM.</p>	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG's compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
4.1 (b) Compliant	(b) A TNSP must not discriminate (either directly or indirectly) between a related electricity service provider and a competitor (or potential competitor) of a related electricity service provider in connection with the provision of prescribed transmission services or negotiated transmission services by the TNSP (whether to itself or to any other legal entity).	<p>To achieve compliance with the “non-discrimination” requirements in the Ring-Fencing Guideline, ATG has sought to educate relevant employees about the Ring-fencing requirements. ATG’s online training program on the topic of Ring-fencing for electricity transmission policy includes a key obligations and roles when dealing with affiliated entities.</p> <p>Below are the controls:</p> <ul style="list-style-type: none"> • A ring-fencing page on the AusNet intranet, The Loop, which contains resources relating to key ringfencing educational information. • Online training module for employees accessed via SuccessFactors. • All AES employees have access to the ringfencing intranet site at any time. Upon completion of the training, employees receive a completion report to prove the training is complete. • The Compliance team monitors completion of ring-fencing training, including annual refresher training, and follows up with employees where training has not yet been completed. New employees are required to complete ring-fencing training as part of the onboarding process. Where annual refresher training has not yet been completed, employees are required to have completed the primary ring-fencing training module. <p>In addition, updated targeted training materials for key personnel and ATG-wide training materials to reflect version 5 of the Guideline from August 2025 onwards.</p> <p>Together with the legal team, ATG developed various Statement of Works (SOWs) for the respective services provided by Energy Services and Technical Services which include, but is not limited to chemical testing services, metering services, HV asset testing and others. Master Procurement Agreement (MPA) are also in place to formalise existing and future arrangements for contestable electricity services provided by affiliated entities to ATG.</p> <p>As part of its organisational design, management recognises that certain management roles within Development and Future Networks (D&FN) may have reporting lines across both sides of the ring-fence. To mitigate associated risks, ATG relies on embedded safeguards including mandatory ring-fencing training, adherence to the Code of Conduct, and ongoing compliance oversight, which together are designed to prevent discriminatory conduct.</p>	<p>Discussion held with: Compliance Manager Energy Regulation Special Counsel Technical Training Manager</p> <p>Procedures performed: We obtained the Ring-fencing Module slides and inspected the training report which included the details of employees who has completed the training and the relevant completion dates. We obtained and inspected, on a sample basis, targeted ring-fencing training materials for designated teams within the Transmission Line of Business and Development and Future Networks (DFN) to assess whether these reflected Version 5 of the Ring-Fencing Guideline. We obtained and inspected all relevant SoWs, contracts and the MPA entered between AES, Mondo under Development and Future Networks. Refer to section 4.1(c) below on our assessment of ATG’ procurement processes and controls.</p>	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG’s compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
4.1 (c) Compliant	<p>(c) Without limiting its scope, clause 4.1(b) requires a TNSP to:</p> <p>i. in dealing or offering to deal with a related electricity service provider, treat the related electricity service provider as if it were not a related electricity service provider (that is, as if it had no connection or affiliation with the TNSP);</p> <p>ii. in like circumstances, deal or offer to deal with a related electricity service provider and a competitor (or potential competitor) of the related electricity service provider on substantially the same terms and conditions;</p> <p>iii. in like circumstances, provide substantially the same quality, reliability and timeliness of service to a related electricity service provider and a competitor (or potential competitor) of the related electricity service provider;</p>	<ul style="list-style-type: none"> ATG has a robust procurement and other contracting processes for obtaining, or providing, services from, or to, affiliated entities, including any contracting requirements and legal approval. This includes establish the Delegation of Authority matrix, where RES staff are restricted from making a decision for another affiliated entity. There is a formal decision-making process implemented before contracting a related electricity service provider. ATG has implemented Master Service Agreements (MSA) where ring-fencing clauses are included with related electricity service provider. ATG has established Procurement Principles and a Procurement Framework under which procurement processes are applied based on value thresholds and market considerations, rather than the Division or affiliated party requesting the services. For procurements exceeding ██████████ the Procurement team is required to lead the sourcing process, with arrangements between ██████████ and ██████████ subject to market testing through a formal tender involving technical, commercial and legal review, unless the purchase is made under an executed supplier contract with an approved schedule of rates up to ██████████. Lower-value arrangements require appropriate purchase orders and quotation comparisons. In 2025, management reviewed the historical SOWs between Mondo/AES and ATG to assess their continued relevance following organisational changes and to consider expiry timing and the appropriateness of market testing or benchmarking. Management concluded that the Technical Services SoWs relate to internal shared staff arrangements and do not constitute affiliated transactions for the purposes of the Ring-fencing Guideline for which benchmarking is required. Management also noted Metering Services SoWs relate to mandated, highly specialised services where market testing is not feasible. 	<p>Discussion held with:</p> <p>Members of the Procurement Team Compliance Manager Legal Counsel Regulatory Compliance Officer</p> <p>Procedures performed:</p> <p>We obtained and inspected the procurement policy and tender process undertaken by ATG for affiliated entities and external parties, including process documents and reviewed the differences between the two processes.</p> <p>We obtained and inspected the decision-making framework ATG adheres to demonstrate its compliance against this obligation.</p> <p>We obtained and perused the Statement of Works (SOW) and Master Procurement Agreement (MPA) entered between ATG and Energy Services provided under the Mondo brand. We have verified that all relevant information within the ring-fencing clause has been included in the Master Service Agreement between ATG and Mondo.</p> <p>We enquired with management on the judgement applied in determining that the Technical Services Statements of Work are internal shared staff arrangements and therefore outside the scope of affiliated transactions under the Ring-fencing Guideline.</p>	<p>EFFECTIVE</p> <p>Based upon the discussions held and procedures performed, we noted:</p> <p>ATG continues to engage Mondo on three SOWs relating to HV Asset Testing, Chemical Testing Services and Calibration and Protection Testing and Metering Installations and one SOW with AES relating to Technical services. However, based on management review, the Technical Services and metering SoWs relate to internal shared staff arrangements and do not constitute affiliated transactions for the purposes of the Ring-fencing Guideline for which benchmarking is not required.</p> <p>As management has performed an assessment and concluded that these arrangements do not constitute affiliated transactions under the Ring-fencing Guideline, no recommendation has been raised in respect of these SoWs.</p> <p>No exceptions were noted as to ATG' compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
4.1 (c) (continued) Compliant		<p>For the 2025 compliance year, transactions between AES and affiliated entities were identified, assessed and reported by management in the Electricity Distribution Annual Compliance Report, including transactions with Mondo Metering Pty Ltd, Geomatic ai Pty Ltd (trading as Altavec), AusNet Electricity Services Pty Ltd and AusNet Services Holdings Pty Ltd.</p> <p>Transactions with Mondo Metering Pty Ltd</p> <ul style="list-style-type: none"> • Metering data service: \$469k • Transactions with Geomatic ai Pty Ltd (trading as Altavec) • Geospatial engineering services: \$792k <p>Transactions with AusNet Electricity Services Pty Ltd</p> <ul style="list-style-type: none"> • Network Use of Services: \$114k • Exit changes for use of transmission network: (\$8.7m) • Network Charges : (\$1.2m) • AusNet Services Holdings Pty Ltd • Interest on Borrowings : \$204m <p>Management also assessed other shared service arrangements and concluded that certain bundled shared service costs were not required to be reported as affiliated transactions, as these were not charged directly between AES and affiliated entities.</p>	<p>Discussion held with:</p> <ul style="list-style-type: none"> Compliance Manager Legal Counsel Regulatory Accounting Manager Regulatory Compliance Officer <p>Procedure Performed :</p> <p>We obtained and inspected the transaction report between ATG and affiliated entities prepared by the regulatory accounting team to trace all amounts pertaining to Ring Fencing as identified by the management has been disclosed appropriately in the AusNet’s Transmission Annual Compliance Report.</p>	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG’s compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
4.2.1 Compliant	Subject to this clause 4.2, a TNSP must: a) keep ring-fenced information confidential ; and b) only use ring-fenced information for the purpose for which it was acquired or generated.	<p>ATG identified a risk that where technology systems are shared across businesses for economies of scale, disclosure of information that is otherwise protected by the Guideline may occur. Access to TNSP systems which may contain transmission information are restricted from contestable teams other than in circumstances that are exempt under the Guideline. Some systems that hold ring-fenced information have strict access protections specific to a select few employees, due to the sensitive nature of the data (e.g., Control Room systems). AusNet has implemented controls for systems that hold ring-fenced information where security-driven access controls are not already in place.</p> <p>Within SAP, ring-fencing controls are configured through two unique access profiles that restrict users' access to functions and data aligned to their organisational responsibilities:</p> <ul style="list-style-type: none"> Contestable Electricity Services (CES) access, which restricts ring-fenced data for AusNet Electricity Services Pty Ltd (AES) and applies to employees providing contestable transmission services; and Contestable Market Services (CMS) access, which restricts ring-fenced data for AES and AusNet Transmission Group Pty Ltd (ATG) and applies to employees providing contestable services that are not transmission services. <p>All SAP access requests are reviewed by system access owners and, where staff are identified as belonging to CES or CMS teams, the SAP Security Team applies the relevant access restrictions.</p> <p>In 2025, and in line with the 2024 Recommendation, AusNet performed a review of systems, other than SAP, that may hold transmission-related ring-fenced information. The review identified that information capable of giving rise to potential discrimination includes network asset and configuration data and information relating to new connections. Systems controls have been implemented whereby the Contestable Connections Team and Distributed Energy Team are not permitted to access these ring-fenced systems, nor request ring-fenced information from other teams, unless an appropriate exemption under the Guideline applies. System owners review access requests and provide active user listings to the Compliance Team for periodic review identified as holding such information are subject to additional access controls.</p> <p>In case of any 3rd party IT service providers, currently, WIPRO/IBM, will only provide access when all the approvals have been provided as per workflows. These parties are not able to discriminate. Contracts with these providers would have appropriate clauses that cover compliance with relevant laws and regulations.</p>	<p>Discussion held with: Members of the Network Planning and Connections Teams Compliance Manager Legal Counsel Regulatory Compliance Officer</p> <p>Procedures performed: We obtained and perused the Logging and Monitoring Policy, which ensures logging and monitoring systems are in place to allow detection of unauthorised information processing activities. We obtained and assessed the a Ring-Fencing system access review was carried out in December 2025. We isolated a population of 125 ring-fenced employees under contestable services teams (namely Contestable connections and Distributed Energy) from the HR Master file of ATG. We then performed a cross check to the system access logs to see if these employees had access to SAP CES access, Power On Fusion, SDME and S Net Explore systems and others systems identified by AusNet to hold transmission-relating ring-fenced information. We assessed the process undertaken by management to reorganise user system access to SAP CES access, Power On Fusion, SDME and S Net Explore systems and others.</p>	<p>EFFECTIVE</p> <p>Based upon the discussions held and procedures performed, we noted that ATG performed a ring-fencing system access review in December 2025, and EY obtained and inspected documentation supporting this review. The review considered employee-level risks, including system access to ring-fenced information.</p> <p>During our procedures, we identified four employees who were not included within the review population due to employee movements during the year (including leavers and internal rotations) and timing differences between the data extract used for the review and the audit period. These employees did not represent instances of inappropriate access.</p> <p>For completeness, EY independently assessed the system access held by these employees and confirmed that access to ring-fenced information was appropriate, including for employees on internal rotation. Accordingly, no inappropriate access to ring-fenced information was identified, and the control operated effectively during the period.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Testing	Observations and Findings
4.2.2 Compliant	<p>A TNSP must not disclose ring-fenced information to any person, including a related electricity service provider, unless:</p> <ul style="list-style-type: none"> a) the TNSP has first obtained the explicit informed consent of the relevant customer, or prospective customer, to whom the ring-fenced information relates; b) the disclosure is required by, or for the purpose of complying with, any law; c) the disclosure is necessary to enable the TNSP to provide transmission services or (if authorised in accordance with the waiver process set out in clause 5 of this Guideline) other services (including by acquiring services from other legal entities); d) the information has been requested by or on behalf of a customer, or potential customer, of another legal entity, and the disclosure is necessary to enable the legal entity to provide non-regulated transmission services or other services to the customer or potential customer; e) the disclosure is solely for the purpose of providing assistance to the extent necessary to respond to an event (such as an emergency) that is beyond a Network Service Provider's reasonable control; f) the disclosure is solely for the purposes of research by a legal entity other than a related electricity service provider of the TNSP; g) a related electricity service provider of the TNSP has requested the disclosure and the TNSP complies with clause 4.2.3 in relation to that ring-fenced information; or h) another legal entity, other than a related electricity service provider of the TNSP, has requested the disclosure. 	<p>ATG has included in its Ring-fencing policy setting out the contents of an information register, which includes organisations which have requested access to information and the kind of information sought.</p> <p>The Ring-fencing policy prohibits staff inappropriately sharing information, other than through the formal process listed out in the information sharing protocol, as published on the ATG website.</p> <p>The information sharing protocol details the type of information that can be shared and the terms on which information will be shared. All information requests are copied to the ring-fencing mailbox, [REDACTED] which is monitored by the Compliance team. The Legal team assess if the information requested is appropriate to be shared.</p>	<p>Discussion held with: Compliance Manager Legal Counsel Regulatory Compliance Officer</p> <p>Procedures performed: We have discussed with management ATG consideration of the exemptions per the Guideline.</p>	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG's compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Testing	Observations and Findings
4.2.3 Compliant	<p>a) Subject to clause 4.1(c)(iv), and to this clause 4.2.3, where a TNSP shares ring-fenced information with a related electricity service provider, or where ring-fenced information that a TNSP has disclosed under clause 4.2.2(f) or (h) is then disclosed by any person to a related electricity service provider of the TNSP, the TNSP must provide access to that ring-fenced information (including the derived information) to other legal entities on an equal basis.</p> <p>b) A TNSP is only required by clause 4.2.3(a) to provide information to a legal entity where:</p> <ul style="list-style-type: none"> i. the legal entity has requested that it be included on the information register in respect of information of that kind; and ii. the legal entity is competing, or is seeking to compete, with a related electricity service provider, in relation to the provision of contestable electricity services. <p>c) A TNSP is not required by clause 4.2.3(a) to provide information to a legal entity where the TNSP has disclosed the information in the circumstances set out in clauses 4.2.2(a) to (e)</p> <p>d) Without limiting clause 4.2.3(a), a TNSP must establish an information sharing protocol that sets how and when it will make the information referred to in clause 4.2.3(a) available to legal entities, and must make that protocol publicly available on its website.</p> <p>e) Where a TNSP discloses information referred to in clause 4.2.3(a) to any other legal entity under this clause 4.2.3, it must do so on terms and conditions that require the other legal entity to comply with clause 4.2.1 and 4.2.2(a) to (d) in relation to that information as if the other legal entity was a TNSP.</p>	<p>ATG has included in its Ring-fencing policy setting out the contents of an information register, which includes organisations which have requested access to information and the kind of information sought.</p> <p>The Ring-fencing policy prohibits staff inappropriately sharing information, other than through the formal process listed out in the information sharing protocol, as published on the ATG website.</p> <p>The information sharing protocol details the type of information that can be shared and the terms on which information will be shared. All information requests are copied to the ring-fencing mailbox, [REDACTED] which is monitored by the Compliance team. The Legal team assess if the information requested is appropriate to be shared.</p> <p>On 22 August 2025, the Information Sharing Protocol for transmission was updated to include the AusNet Infrastructure Trust entities and reflect Version 5 of the Guideline.</p> <p>Information has been shared during 2025 as detailed in the information sharing register published on the ATG website: Ring-fencing compliance (ausnetservices.com.au)</p>	<p>Discussion held with:</p> <ul style="list-style-type: none"> Members of the Network Planning and Connections Teams Compliance Manager Legal Counsel Regulatory Compliance Officer <p>Procedures performed:</p> <p>We obtained and perused the Ring-fencing Policy which demonstrates that it complies with AER's requirement on compliance procedures. ATG/AIT has in place a process to govern information sharing with an affiliated entity.</p> <p>We obtained and inspected the information sharing protocol and register to ensure that ATG/AIT has in place appropriate information handling procedures and policies.</p>	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG's compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Testing	Observations and Findings
4.2.4 Compliant	<p>a) A TNSP must establish, maintain and keep a register of all:</p> <ul style="list-style-type: none"> i. related electricity service providers; ii. other legal entities who provide contestable electricity services but who are not affiliated entities of the TNSP; who request access to information identified in clause 4.2.3(a), and must make the register publicly available on its website. <p>b) For each related electricity service provider or other legal entity that has requested that a TNSP provide access to information identified in clause 4.2.3(a), the TNSP's information register must:</p> <ul style="list-style-type: none"> a) identify the kind of information requested by the related electricity service provider or other legal entity; and b) describe the kind of information requested by the related electricity service provider or other legal entity in sufficient detail to enable other legal entities to make an informed decision about whether to request that kind of information from the TNSP. <p>c) A legal entity may request that the TNSP include it on the information register in relation to some or all of the kinds of information that the TNSP is required to provide under clause 4.2.3(a), and the TNSP must comply with that request.</p>	<p>ATG has included in its Ring-fencing policy setting out the contents of an information register, which includes organisations which have requested access to information and the kind of information sought.</p> <p>The Ring-fencing policy prohibits staff inappropriately sharing information, other than through the formal process listed out in the information sharing protocol, as published on the ATG website.</p> <p>The information sharing protocol details the type of information that can be shared and the terms on which information will be shared. All information requests are copied to the ring-fencing mailbox, compliance@ausnetservices.com.au, which is monitored by the Compliance team. The Legal team assess if the information requested is appropriate to be shared.</p> <p>On 22 August 2025, the Information Sharing Protocol for transmission was updated to include the AusNet Infrastructure Trust entities and reflect Version 5 of the Guideline.</p> <p>Information has been shared during 2025 as detailed in the information sharing register published on the ATG website: Ring-fencing compliance (ausnetservices.com.au)</p>	<p>Discussion held with:</p> <ul style="list-style-type: none"> Members of the Network Planning and Connections Teams Compliance Manager Legal Counsel Regulatory Compliance Officer <p>Procedures performed:</p> <p>We obtained and perused the Ring-fencing Policy which demonstrates that it complies with AER's requirement on compliance procedures. ATG/AIT has in place a process to govern information sharing with an affiliated entity.</p> <p>We obtained and inspected the information sharing protocol and registers to ensure that ATG/AIT has in place appropriate information handling procedures and policies.</p>	<p style="text-align: center;">EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG's compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
4.3 Compliant	<p>a) A TNSP must ensure that: marketing staff involved in the provision of prescribed transmission services are also not staff involved in the provision of contestable electricity services by a related electricity service provider; and staff involved in the provision of prescribed transmission services are not marketing staff involved in the provision of contestable electricity services by a related electricity service provider.</p> <p>b) A TNSP may apply for a waiver of the obligations set out in this clause 4.3.</p>	<p>The Compliance team has performed an analysis of the obligation by reviewing the role and the associated access rights. The assessment focuses on identifying staff with access to “electricity information” and who have the opportunity to use that information to engage in conduct that would provide a competitive advantage to an affiliated entity or otherwise engage in conduct contrary to clause 4.1 of the Guideline.</p> <p>Marketing staff means staff directly involved in sales, sale provision or advertising, as defined by the Guideline. Given the nature of prescribed transmission services, AusNet does not have any marketing staff involved in the provision of prescribed transmission services.</p> <p>In relation to the requirements of section 4.3(a)(ii) of the Guideline:</p> <ul style="list-style-type: none"> AusNet’s organisation structure is based on a line of business (LoB) approach, meaning that the staff involved in the provision of prescribed transmission services sit within the Transmission team and have no involvement in the provision of any contestable electricity services, which are undertaken by the Gas & Metering team (in the case of contestable metering) and and Future Networks (DFN) (in the case of Distributed Energy Resources team and Contestable Connections). Marketing staff involved in the provision of contestable electricity services sit within DF&N (in the case of marketing staff for contestable connections), Gas & Metering (in the case of contestable metering) or within the Risk, Compliance and Corporate Affairs team (in the case of AusNet’s general marketing and branding team). None of the staff in these teams report to, or have any involvement in relation to, the provision of prescribed transmission services (which is run out of the Transmission team). <p>It should also be noted that to the extent that staff are not involved in the operation or marketing of contestable electricity services (which, in accordance with the relevant definitions under the Guideline, do not include technical, administrative, accounting or service functions) they are also are not restricted from being shared and the roles and positions etc of such staff are not required to be included on the staff sharing register.</p>	<p>Discussion held with:</p> <ul style="list-style-type: none"> Corporate Communications Manager Senior Marketing Manager Legal Counsel Compliance Manager Regulatory Compliance Officer <p>Procedures performed:</p> <p>We enquired with the management that ATG appropriately identified distinct roles for its RES and Mondo employees particularly in the marketing function, ensuring there are no staff sharing that is not in line with the Guideline.</p> <p>We obtained and inspected a list of ATG employees to identify any role descriptions that do not comply with this obligation.</p>	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG’s compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
4.4.1 Compliant	<p>a) A TNSP must ensure that any new or varied agreement between the TNSP and service provider for the provision of services of the TNSP that enables or assists the TNSP to provide prescribed transmission service or negotiated transmission services, requires the service provider to comply, in providing those services, with clauses 4.1, 4.2.1 and 4.3 of the Guidelines as if the service provider was the TNSP; and</p> <p>b) must not, directly or indirectly, encourage or incentivise a service provider to engage in conduct which, if the TNSP engaged in the conduct itself, would be contrary to the TNSP's obligations under clause 4 of this Guideline.</p>	<p>All of the template procurement contracts to which the TNSP may be a party were updated to include the reference of clause 4.4.1. The updated templates have been uploaded to the 'template database' on Ariba. The Procurement team, when looking to engage a supplier for a contract valued at greater than ██████████, is required to obtain that form of contract from the 'template database' on Ariba. Any amendments to those template documents are required to be approved by ATG legal, so ATG is comfortable that amendments/deletions of the ring-fencing clause will not occur.</p> <p>Where the value of the supplier contract is valued at less than ██████████, the Procurement team and business unit will issue an Order Form to which the Purchase Order T&Cs apply. The PO T&Cs are on the ATG website and were updated to incorporate the relevant ring-fencing clause - see clause 4.1(f) of the PO T&Cs. The PO T&Cs are rarely, if ever, amended, but if amendments are required by the supplier, those amendments require legal review and approval. Occasionally a supplier will require the contract to be on the supplier's T&Cs. In those cases, legal review and approval of the T&Cs is required, and if ring-fencing drafting is necessary, it will be included by the legal team as part of the negotiations of those T&Cs.</p> <p>Any variation agreements require legal review and approval, so if a contract under which the supplier is assisting the TNSP to perform prescribed transmission services is to be varied, legal will review and approve - ensuring the appropriate ring-fencing drafting is included.</p> <p>Further, the Procurement team has been provided with ring-fencing training and are aware of the requirements for the ring-fencing clause to be included, adding an additional layer of controls.</p>	<p>Discussion held with: Compliance Manager Legal Counsel</p> <p>Procedures performed:</p> <ul style="list-style-type: none"> We obtained and inspected the Procurement Policy to ensure that it has in place appropriate procedures and policies in the context of the Guideline. We inspected in the policy that all contracts that are greater than ██████████ requires the use of a contract template as approved by the legal team and for contracts less than ██████████ requires a Purchase order to be generated. We obtained and perused the updated standard terms and conditions (T&C) for Supply of Goods & Service Agreement for orders up to ██████████ and ██████████ up to ██████████. We sampled a selection of contracts entered from 1 January 2025 to 31 December 2025 by ATG/AIT to ensure the relevant ring-fencing clauses have been included. 	<p>PARTIALLY</p> <p>Based upon the procedures performed, we noted the following:</p> <ul style="list-style-type: none"> Based on our review of the standard Terms and Conditions template published on ATG's website, we noted that while the substantive ring-fencing provisions have been updated to reflect the requirements of Ring-fencing Guideline Version 5, the definitions section continues to reference Ring-fencing Guideline Version 4. As a result, there is an inconsistency between the defined terms and the updated ring-fencing provisions applied within the template. Based on a sample of contracts and contract variations entered into between 1 January 2025 and 31 December 2025, we noted that all contracts determined by ATG to be in scope of the Ring-fencing Guideline either included a ring-fencing provision directly or referred to a panel agreement containing such a provision. However, in one of the five agreements sampled, the ring-fencing provisions applied were aligned to Guideline Version 4 rather than Version 5, which includes additional requirements relating to "negotiated transmission services", however, these requirements did not have application in this instance, as the services provided did not constitute prescribed or negotiated transmission services under the Guideline.



DETAILED OBSERVATIONS (cont.)

Obligation: Waivers - Section 5

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
5.7 Compliant	<p>a) A TNSP must establish, maintain and keep a register of all waivers (including any variation of a waiver) granted to the TNSP by the AER under clause 5 of this Guideline, and must make the register publicly available on its website.</p> <p>b) The register established under clause 5.7(a) must include:</p> <ul style="list-style-type: none"> i. the description of the conduct to which the waiver or interim waiver applies; and ii. the terms and conditions of the waiver or interim waiver; as set out in the AER’s written decision, provided by the AER to the TNSP, to grant (or vary) the waiver or interim waiver. 	<p>ATG/AIT currently has no ring-fencing waivers in place.</p> <p>The Compliance team maintains the waiver register and the Regulatory team is responsible for submitting a waiver application to AER in the event that there may be a need for additional waivers.</p> <p>On an annual basis, the AusNet Compliance Management System sends an automated compliance task alert to the nominated member of the Regulatory Team to perform a formal review of waiver requirements.</p> <p>The waivers register is formally reviewed on a quarterly basis by the Compliance team with any updates reflected in the waivers register. Waiver registers for transmission was updated to include the AusNet Infrastructure Trust entities from September 2025 quarter onwards</p> <p>Maintaining the waiver register also includes ensuring its visibility on the AusNet website. A dedicated ring-fencing webpage is in place with any changes to the AusNet ring-fencing webpage are performed by the Customer Communications Team as directed by the Regulation or Compliance teams.</p>	<p>Discussion held with:</p> <p>Compliance Manager Legal Counsel</p> <p>Procedures performed:</p> <p>We have obtained and inspected the waiver register to assess the register’s inclusion of waiver details as required by the Guideline. We further verified that the AusNet Infrastructure Trust entities were included in the waiver registers from September 2025 quarter onwards</p>	<p style="text-align: center;">EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG’s compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Obligation: Compliance Procedures and Compliance Reporting - Section 6

Guidance Assessment Criteria and Assessment Controls

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
6.1 Compliant	A TNSP must establish and maintain appropriate internal procedures to ensure it complies with its obligations under clause 6A.21.1 of the NER. The AER may require the TNSP to demonstrate the adequacy of these procedures upon reasonable notice. However, any statement made or assurance given by the AER about the adequacy of the TNSP's compliance procedures doesn't affect the TNSP's obligations under clause 6A.21.1 of the NER.	<p>ATG/AIT has internal procedures in place to ensure it complies with obligations under the Guideline. Each obligation clause under the Guideline is put under a Responsible person in ATG.</p> <p>On a quarterly/annual basis, depending on priority grading of each compliance clause, the compliance system will automatically generate a prompt or a reminder to the responsible person to confirm the compliance status of the specific obligation. Also, the Compliance team obtains input from the respective responsible person in regard to the status of compliance for each Guideline obligation. Inputs include movements or changes in their respective areas, and how these changes align to the obligation. The Compliance team collates the information on the status and progress and any issues noted</p> <p>ATG/AIT has continued to use a dedicated ring-fencing email inbox to allow employees easy access to the project team to ask any questions or clarify policy and procedures put in place by ATG/AIT.</p>	<p>Discussion held with:</p> <p>Legal Counsel Compliance Manager</p> <p>Procedures performed:</p> <p>We obtained and perused the Ring-fencing Policy which demonstrates that it complies with AER's requirement on compliance procedures.</p> <p>Enquired with management on the procedures and policies in place to ensure compliance to the ring-fencing guideline.</p> <p>Identified appropriateness of a given procedure for each guideline element, and whether the procedures are likely to target the appropriate staff and supported by an appropriate communications strategy.</p>	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG's compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
6.2.1 (a)(b) Compliant	<p>(a) A TNSP must prepare an annual ring-fencing compliance report each calendar year in accordance with this Clause 6.2.1 and submit it to the AER in accordance with Clause 6.2.2</p> <p>(b) The annual compliance report must identify and describe, in respect of the calendar year to which the report relates;</p> <ul style="list-style-type: none"> i. The measure the TNSP has taken to ensure compliance with its obligation under the Guidance ii. Any breached of the Guideline by the TNSP, or which otherwise relates to the TNSP. iii. All other services provided by the TNSP in accordance with Clause 3.1 iv. The purpose of all transactions between the TNSP and an affiliated entity. 	<p>ATG has internal procedures in place to ensure it complies with its obligations under the Guideline. Obligations are identified, recorded and assigned to 'responsible persons' in a centralised compliance management database. Responsible Persons ensure that these obligations are appropriately embedded in business activities including policies, processes, procedures, digital systems and tasks.</p> <p>ATG adopts a risk-based approach to compliance monitoring and assurance with Responsible Persons periodically attesting to the state of compliance. The attestations and supporting evidence provided by Responsible Persons is independently reviewed by the Regulatory Compliance Function from a quality perspective and, where appropriate, clarification of responses is sought.</p> <p>AusNet Group has three Transmission Network Service Provider (TNSP) entities - AusNet Transmission Group Pty Ltd (ATG), AusNet Infrastructure No 1 Pty Ltd (AIT) and AusNet Infrastructure No 2 Pty Ltd. ATG and AIT need to prepare an annual ring-fencing compliance report. It is reasonable (and compliant) to prepare a single report but indicate where in the report separate or common positions are being taken with respect to the different TNSP entities.</p>	<p>Discussion held with:</p> <p>Legal Counsel</p> <p>Compliance Manager</p> <p>Procedures performed:</p> <p>We have obtained and reviewed management's compliance report to ATG/AIG has disclosed all points under 6.2.1 (b)</p>	<p style="text-align: center;">EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG's compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
6.2.1 (b) (Continued)	<p>v. the total number of connection applications received by the TNSP in that calendar year;</p> <p>vi. the proportion of the total number of connection applications received by the TNSP in that calendar year that include the provision of contestable electricity services solely by a related electricity service provider of the TNSP; and</p> <p>vii. the proportion of the total number of connection applications received by the TNSP in that calendar year that include the provision of contestable electricity services by a person other than a related electricity service provider of the TNSP.</p>	<p>AusNet encountered some practical limitations with reporting on 'connection applications' as required under the Guideline, set out below.</p> <ul style="list-style-type: none"> In Victoria, AusNet, as the main declared transmission system operator, does not 'receive' connection applications from connecting parties. Instead, VicGrid, as the planner and procurer of network augmentations receives connection applications under Chapter 5 of the NER. This differs from other jurisdictions where the primary TNSP receives connection applications directly. Connection applications are not automatically provided to AusNet from AEMO. At the time a connection application is submitted to AEMO, the scope of any contestable works may not yet be defined, as this is developed as part of AEMO's preparation of the Primary Functional Requirements for the project following the connection application stage. Accordingly, the provider of any contestable electricity services may, or may not, have been determined at that early stage. Further, a connecting party may initiate the connection application process at any time e.g., prior to, during or after, any feasibility and development work required for the project. The time between connection application to commissioning of the project will be influenced by a range of factors outside of AusNet's control, many of which relate to proponent decisions, regulatory approvals, project financing and external events. <p>The earliest and objectively determinable point in the connection process at which contestable scope is defined, the provider of those services is known, and development-phase timeframe variability outside of AusNet's control is minimised, is the Request for Offer (RFO) stage, where AEMO issues RFOs to provide binding offers for the relevant transmission services.</p>	<p>Discussion held with:</p> <p>Legal Counsel Compliance Manager</p> <p>Procedures performed:</p> <p>We obtained and reviewed management's process note documenting its interpretation of the connection application requirements under the Guideline and assessed whether this interpretation has been appropriately disclosed within ATG's compliance report.</p>	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG's compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
6.2.1 (b) (Continued)	<p>viii. for connections commissioned in that calendar year that have included the provision of contestable electricity services by a related electricity service provider, the average time (in business days) between initial receipt of the connection application and the commissioning of the connection.</p> <p>ix. for connections commissioned in that calendar year that have not included the provision of contestable electricity services by a related electricity service provider, the average time (in business days) between initial receipt of the connection application and the commissioning of the connection.</p>	<p>Having regard to the above, and in order to provide meaningful responses to the connection application reporting requirements of the Guideline, AusNet has adopted the below methodology.</p> <ul style="list-style-type: none"> Clause (b)(vi)-(viii), which requires total connection applications in 2025, and proportion of those connection applications that include provision of contestable services by a RESP or non-RESP - as involving an assessment of all RFOs received by AusNet, which relate to connection applications or projects initiated after the commencement date of the Guideline, 24 February 2025 and assessing the relevant proponents for the different transmission services. Clause (b)(iv)-(v), average time between connection application and commissioning for connections commissioned in 2025 that included provision of contestable services provided by a RESP and not - as involving an assessment of the timeframe between the RFO received by AusNet (which relate to connection applications or projects initiated after the commencement date of the Guideline, 24 February 2025) and commissioning, for projects commissioned in 2025. 	<p>Discussion held with:</p> <p>Legal Counsel Compliance Manager</p> <p>Procedures performed:</p> <p>We obtained and reviewed management’s process note documenting its interpretation of the connection application requirements under the Guideline and assessed whether this interpretation has been appropriately disclosed within ATG’s compliance report.</p>	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG’s compliance against the obligation.</p>



DETAILED OBSERVATIONS (cont.)

Clause and Management Assessment	Compliance Obligation	Management Controls & Process Description	Procedures Performed	Observations and Findings
6.2.1 (c)(d) (e) and (f) Compliant	<p>(c) The annual compliance report must be accompanied by an assessment of compliance with each provision of this Guideline (except 6.2.2 and 6.3) by a suitable qualified independent authority.</p> <p>(d) A TNSP's annual compliance report may, in relation to clause 3.2 of this Guideline, be based on information provided to the AER under a regulatory information instrument for the TNSP's most recent regulatory year. If so, that annual compliance report must cover, in relation to clause 3.2 of this Guideline, the entirety of that regulatory year.</p> <p>(e) Starting with the annual compliance report relating to the 2025 calendar year, each annual compliance report must be accompanied by a cover letter signed by a TNSP's most senior executive (whether that person's position is titled chief executive officer, or managing director, or otherwise), or by a director of the TNSP, and attesting that the contents of the report are accurate to the best of their knowledge.</p> <p>(f) Annual compliance reports may be made publicly available by the AER.</p>	<p>AusNet Group has three Transmission Network Service Provider (TNSP) entities - AusNet Transmission Group Pty Ltd (ATG), AusNet Infrastructure No 1 Pty Ltd (AIT) and AusNet Infrastructure No 2 Pty Ltd. ATG and AIT need to prepare an annual ring-fencing compliance report. It is reasonable (and compliant) to prepare a single report but indicate where in the report separate or common positions are being taken with respect to the different TNSP entities.</p> <p>AusNet has established processes to ensure the annual compliance report is prepared in accordance with the Guideline, including independent assessment of compliance, appropriate executive attestation, and provision of information to the AER, where applicable.</p>	<p>Discussion held with:</p> <p>Legal Counsel</p> <p>Compliance Manager</p> <p>Procedures performed:</p> <p>We have been engaged by ATG to perform assessment of compliance of each provision of this Guideline (except 6.2.2 and 6.3) as the independent authority to assess compliance in relation to ring fencing.</p> <p>We have obtained and reviewed management's compliance report with a cover letter signed by CEO.</p>	<p>EFFECTIVE</p> <p>Based on the discussion held and procedures performed, no exceptions were noted with ATG's compliance against the obligation.</p>





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ASSURANCE REPORT

Independent assurance report to the members of AusNet Transmission Group Pty Ltd and AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust

Opinion

We have undertaken a reasonable assurance engagement, as defined by Standards on Assurance Engagements, to report on whether the Annual Compliance report of AusNet Transmission Group Pty Ltd and AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust 's ("ATG/AIT" or the "Companies") presents fairly ATG/AIT's compliance, in all material respects, with the compliance requirements as evaluated against the Ring-fencing Guideline – Electricity Transmission Version 5 (the "Guideline"), for the period of 1 January 2025 to 31 December 2025 for the purpose of reporting to the Australian Energy Regulator.

In our opinion ATG/AIT's Annual Compliance Report that states the Entity has complied with the compliance requirements, in all material respects, is fairly presented as evaluated against the Guideline for the period of 1 January 2025 to 31 December 2025.

Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 Compliance Engagements issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

AusNet Transmission Group Pty Ltd and AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust 's responsibilities

ATG/AIT is responsible for:

- Providing a Ring-fencing Annual Compliance Report with respect to the outcome of the evaluation of the compliance activity against the compliance requirements, which accompanies this independent assurance report;
- Identification of the compliance requirements if not identified by law and regulation
- The compliance activity undertaken to meet the compliance requirements; and
- Identification of risks that threaten the compliance requirements identified above being met and controls which will mitigate those risks and monitor ongoing compliance.

Our independence and quality management

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



ASSURANCE REPORT

Assurance practitioner's responsibilities

Our responsibility is to express an opinion, on AusNet Transmission Group Pty Ltd and AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust's Annual Compliance Report with respect to the Entity's compliance, in all material respects, as evaluated against the Guideline, for the period 1 January 2025 to 31 December 2025. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether AusNet Transmission Group Pty Ltd and AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust's Annual Compliance Report is, in all material respects, fairly presented as evaluated against the Guideline for the period of 1 January 2025 to 31 December 2025.

An assurance engagement to report on AusNet Transmission Group Pty Ltd and AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust's Annual Compliance report with respect to the entity's compliance with the compliance requirements involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on our judgement, including the identification and assessment of risks of material misstatements in the Annual Compliance Report are likely to arise.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non compliance with compliance requirements may occur and not be detected.

Our procedures selected were based upon our judgement and involved obtaining an understanding of the Guideline, identifying the obligation clauses as per the Guideline applicable to AusNet Transmission Group Pty Ltd and AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust, and designing and performing procedures to determine whether management controls are in place to satisfy the obligation clauses as per the Guideline.

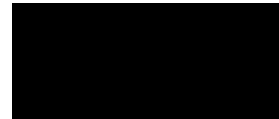
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Our tests of controls were primarily conducted using inquiry, observation, and inspection procedures. In certain situations, we have relied upon representations from management through inquiry only. A reasonable assurance engagement for the period 1 January 2025 to 31 December 2025 does not provide assurance on whether compliance with the compliance requirements will continue in the future.


Restriction on distribution

This assurance report has been prepared in accordance with the requirements of the Guideline. Our report is intended solely for AusNet Transmission Group Pty Ltd and AusNet Infrastructure Trust No. 1 Pty Ltd as Trustee for AusNet Infrastructure Trust and Australian Energy Regulator (collectively the "Recipients") pursuant to the terms of our engagement agreement dated 5 February 2026.

We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance upon our report by the other party.



Ernst & Young
Melbourne
29 April 2026



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