

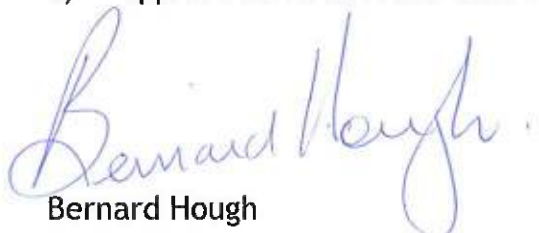
EXTRACT OF BOARD MINUTES

The following is an extract from the minutes of a duly authorised resolution of the Board of directors of ElectraNet Pty Limited ABN 41 094 482 416 (Company) on 18 May 2012.

Revenue Reset - Board Resolution to Self-Insure (Memorandum No. 1072)

The Board resolved to:

- a) note that ElectraNet's Revenue Proposal to the AER for the five-year regulatory period commencing 1 July 2013 includes a self-insurance allowance;
- b) note the specific risks covered by this allowance which are proposed to be self-insured to the extent that these costs are not eligible for pass-through under the National Electricity Rules, as follows:
 - Network related events greater than \$20,000 as defined below:
 - Losses for which insurance is commercially unavailable, uneconomic or excluded under a policy of insurance (e.g. transmission lines);
 - Loss events for insured risks below the existing property insurance policy deductible, and deductible payments;
 - Costs incurred through emergency actions to mitigate losses
 - Losses exceeding insurance limits.
 - Non-network property risks such as vandalism, theft and damage (loss events for insured risks below existing insurance policy deductibles, and deductible payments); and
 - Workers compensation costs (ElectraNet is a WorkCover SA exempt employer).
- c) note that the Audit and Compliance Committee Meeting, at its March 2012 meeting, endorsed the proposed approach to self-insurance for the purpose of the 2013-14 to 2017-18 revenue proposal;
- d) note that undertaking self-insurance for the specified risks does not change ElectraNet's current risk position; and
- e) approve ElectraNet self-insuring for these specific risk events.



Bernard Hough
COMPANY SECRETARY
29 May 2012