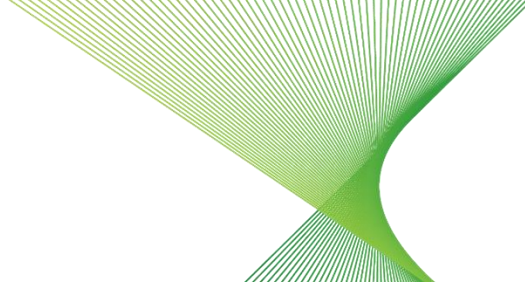


Asset Management Policy



Transgrid will deliver value to the community and our security holders by sustaining a safe and reliable network, and prudently invest to efficiently meet the future energy needs of our customers.

Transgrid commits to applying an effective asset management system over the entire asset life cycle to efficiently manage cost, risk and asset performance for the benefit of consumers and security holders.

Transgrid's Asset Management Policy principles are that:

- Nurture trust with consumers and stakeholders
- Ensure a safe and reliable transition to renewables
- Support growth of Transgrid's prescribed and contestable businesses

To achieve our Asset Management Policy principles, we will:

- Comply with legislative, regulatory and licence requirements so as not to compromise the safety of its employees, workforce, suppliers, customers or the public.
- Ensure asset management, network planning, operations, delivery and community consultation processes are aligned to community expectations.
- Promote amendments to the national energy system and policy environment where it improves stakeholder value.
- Implement asset management, network planning and delivery strategies that support Transgrid's Business plan and reduce energy prices to consumers.
- Ensure that network safety risks are managed as low as reasonably practicable by implementing effective controls.
- Maintain network reliability based on risk and benefits to consumers and directly connected customers.
- Ensure that network development outcomes are sustainable over the life of the asset.
- Ensure the technical capability is maintained and competent to support development and management of assets.
- Identify network solutions that support the new energy future.
- Develop capability to support growth in non-network solutions and alternative technologies.
- Use of a whole of lifecycle approach to develop lowest cost alternatives when delivering assets.
- Support innovation and invest in new technologies that will add value to the business.
- Undertake risk-based decision-making based on quantified asset data and information.
- Optimise the timing of network developments based on quantified health and performance data that balance cost, risk and performance.

This Asset Management Policy applies to all assets as described in the Asset Management System Description document. Transgrid's management and employees shall commit to the continual improvement of the asset management system. Transgrid will ensure that all its contractors and suppliers will apply the high asset management standards Transgrid has developed.