



DIVIDEND REINVESTMENT PLAN

TPG Telecom Limited
ABN 46 093 058 069

Summary of the Rules

The TPG Telecom Dividend Reinvestment Plan (DRP or the “Plan”) allows shareholders in TPG Telecom Limited (the Company) to elect to reinvest all or part of their dividends in fully paid ordinary shares in the Company. This booklet is designed to assist you in deciding if you wish to receive a cash dividend or increase your holding in the Company by reinvesting part or all of your dividend. This decision should only be taken after considering your particular financial and taxation position.

Commonly Asked Questions and Answers

Who can participate in the DRP?

All holders of ordinary fully paid shares can participate in the Plan unless the holder is a resident of the United States of America or Canada or the Directors exercise their discretion to exclude residents in any country or jurisdiction outside Australia.

How does the DRP operate?

Dividends otherwise payable on ordinary shares which participate in the Plan will be applied on the participating shareholder’s behalf to acquire further ordinary shares in the Company. Shares allotted under the Plan will rank equally in all respects with existing ordinary shares.

At what price will shares be issued under the DRP?

They will be allotted at or below market price for the Company’s shares. The Board will announce any discount, not exceeding 10% that may apply. The issue price is the average of the daily volume weighted average market price for the Company’s ordinary shares sold (excluding off-market trades) on the ASX on each of the 5 consecutive trading days commencing the second trading day after the record date in respect of the relevant dividend.

The number of shares issued to shareholders will be calculated in accordance with the formula set out in the Plan rounded to the nearest whole number.

What will it cost to participate?

It will cost you nothing. You will not be charged brokerage fees, commission, stamp duty or administrative costs for the allotment of ordinary shares under the Plan.

How do I participate in the DRP?

You must complete an Election Form by going online at www.computershare.com, clicking on Investor Centre/Reinvestment Plans and following the prompts. Alternatively you can request an Election Form by contacting the Company’s Share Registry, Computershare, whose details are on the back of this booklet.

Can I elect to participate in the DRP on only some of my shares?

Yes, you can elect to have fewer than all your shares participate. Your participation in the Plan will depend on the number of shares you have nominated. Your entitlement to dividends on shares not participating in the Plan will be paid in cash in the normal way.

What happens when I sell some or all of my shares?

The shares will automatically be withdrawn from the Plan when the Company registers a valid transfer document.

If you are a partial participant in the Plan, unless otherwise notified, any shares sold will be taken:

- In the first instance to be receiving a cash dividend and
- In the second instance to be shares participating in the Plan.

What happens if I acquire more shares?

If you purchase additional shares in the Company you will have to submit a fresh Election Form. You do not need to do anything if you want dividends on the new shares to be paid in cash.

Do shares issued under the DRP participate in the Plan?

If all your shares participate in the Plan then the new shares issued under the Plan will automatically participate. If you are a partial participant in the Plan, shares acquired through a bonus issue in respect of shares participating in the Plan or shares issued or acquired under the Plan will participate.

What are the taxation consequences?

For Australian income tax purposes dividends reinvested under the Plan are treated as dividends received by you and are treated in the same way as dividends received on shares which are not participating. Accordingly, participants who are individuals will be required to include the amount of dividend reinvested and any associated franking credits in their assessable income.

For Capital Gains Tax purposes shares issued or acquired under the Plan will have a cost base equal to the amount of the dividend entitlement which is reinvested.

The above comments regarding the taxation position of shareholders are necessarily general in nature and should not be relied upon. The Company does not take responsibility for the taxation liability of shareholders and you should seek your own professional advice.

Can the DRP be modified, suspended or terminated?

The Company may modify the Plan at any time. It may also suspend the operation of the Plan. If the Plan is to be terminated you will receive one month's notice.

Enquiries

If you have any questions, other than in relation to taxation, regarding the DRP you can contact the Company's share registry, Computershare, whose details are on the back of this booklet.

Dividend Reinvestment Plan Rules

Rule 1. Introduction

These Rules constitute the terms and conditions of the Plan established by the Board in accordance with the Company's Constitution.

Rule 2. Interpretation

In these Rules, unless a contrary intention appears

ASX means the Australian Securities Exchange Limited;

Board means the board of directors of the Company or a committee of the Board;

DRP Shares means the shares held by a person in a securities account and which participate in the Plan;

Election Form means the application to participate in the Plan or to vary the basis of such participation in a form approved by the Company from time to time;

Plan means this Dividend Reinvestment Plan;

Rules mean these Rules;

Withdrawal Form means a notice to cause all shares in a particular securities account which participate in the Plan to cease participation in a form approved by the Company from time to time.

Rule 3. Participation

Participation in the Plan is optional and, except as noted below, is open to all shareholders of the Company. Participation in the Plan may be for all of the shares registered in the name of a shareholder including all future acquisitions or for a specific number of shares specified in the Election Form.

Future acquisitions will participate in the Plan as follows:-

- a) Shares acquired through a bonus issue in respect of shares participating in the Plan and shares issued under the Plan will participate in the Plan;
- b) Where a shareholder participates in the Plan on a partial basis, no acquisitions other than those referred to in paragraph a) will participate in the Plan;
- c) In the case of full participation in the Plan, all acquisitions will participate in the Plan;
- d) In the case of a partial election, dividends will be paid in respect of all other acquisitions. A new Election Form will need to be completed before shares acquired other than as referred to in paragraph a) can participate in the Plan.

The Directors have an overriding discretion to refuse to accept shares for participation in the DRP and to suspend or withdraw shares from participation:

- If they consider that the participation of those shares might prejudice the effective operation of the Plan or give rise to breaches of applicable laws by the Company or its officers or by the shareholder or their associates; or
- In respect of members who are resident in any country or jurisdiction outside Australia. Until the Directors otherwise determine, participation in the Plan is not available, either directly or indirectly, to any shareholder (including any legal or beneficial owner of shares) who is in or is resident in the United States of America or Canada.

Rule 4. Applying to Participate

An Election Form or Withdrawal Form must be submitted in a form, including in electronic format, as prescribed or approved by the Company from time to time.

Election Forms or Withdrawal Forms will become effective immediately upon receipt by the Company's Share Registry unless received after the record date for the determination of entitlement to dividends but before payment of that dividend in which circumstances it shall be deemed to become effective immediately after payment of that dividend.

The Company's register of members on any date will be conclusive in determining participation and the Company takes no responsibility for transfers that are not entered on or removed from the register prior to an Election Form or Withdrawal Form becoming operative.

Rule 5. Variation and Termination by Participants

Participants may vary their participation in the Plan by lodgement of a new Election Form in substitution for the Election Form in force at the time of lodgement.

Participants may terminate their participation in the Plan by lodgement of a Withdrawal Form which will come into force upon receipt of that form in respect of the number of DRP Shares nominated by that participant as withdrawing from the Plan or if no number of DRP Shares are nominated then all DRP Shares held by that participant shall cease to be DRP Shares.

Rule 6. Transfer (disposal) of Participating Securities

On transfer of all of their shares by a participant such of those shares as are DRP Shares will, on registration, automatically cease to be DRP Shares.

On transfer of only some of their shares by a participant, unless notified otherwise, the participant shall be taken to have disposed of their shares in the following order

- First, shares receiving a dividend in cash, then
- DRP Shares and such of the shares as are DRP Shares will, on registration of the transfer, automatically cease to be DRP Shares.

For the purpose of this Rule 6, transfer includes a valid application for registration by transmission.

Rule 7. Operation of the Plan

Dividends declared or otherwise to be paid in respect of DRP Shares shall be deemed received by the holder of them and applied as subscription money for ordinary shares (Reinvestment Shares) in accordance with Rule 9.

Rule 8. Calculation of Entitlements

The number of Reinvestment Shares to which each participant is entitled shall be the nearest whole number to the value of the sum calculated by the formula:

$$Q = \frac{(V * W) - T}{Z}$$

Where:

Q = the number of the Reinvestment Shares, rounded to the nearest whole number;

V = the number of the DRP Shares registered in the name of the participant as at the record date for the determination of the dividend entitlement;

W = the amount of the dividend in cents per share to which the DRP Shares will be entitled;

T = the amount of withholding tax or income tax required to be deducted and withheld by the Company in respect of dividends attributable to those DRP Shares;

Z = the average daily volume weighted average market price of the fully paid ordinary shares (rounded to four decimal places) in the capital of the Company sold on the Australian Stock Exchange on each of the 5 consecutive trading days commencing on the second trading day after the record date in respect of that dividend (or such other period as the Company determines and announces to the ASX) less such discount (not exceeding 10%) as is determined by the Company from time to time.

The average daily volume weighted average market price will be calculated excluding all off- market trades, including but not limited to transactions defined in the ASX Market Rules as special crossings, crossings prior to the commencement of the open session state, portfolio special crossings, equity combinations, overnight trading, overseas trades, trades pursuant to the exercise of options over shares and any other trades that the Directors determine should be excluded on the basis that the trades are not fairly reflective of supply and demand.

Rule 9. Allotment of Securities

Reinvestment Shares allotted to participants under the DRP will be issued on the register on which the participant's holding is registered on the date of allotment. Where Shares are held on more than one register, the Reinvestment Shares will be issued on the first named register, as shown in the Company's register of members.

Rule 10. Share Certificates and Plan Statements

Statements of holdings in relation to Reinvestment Shares (or share certificate where applicable) will be issued to participants as soon as practicable after the relevant dividend

payment date. Shares allotted under the Plan will rank equally in all respects with existing ordinary shares of the Company.

Rule 11. Listing of Securities

Application will be made by the Company for the Reinvestment Shares to be listed for quotation on the official list of the ASX.

Rule 12. Death of a Participant

Where a participant dies any DRP Shares shall:-

- where such participant is the sole holder, cease to participate in the Plan on receipt by the Company's Share Registry of notice of death;
- where the participant is a joint holder, not be affected by death.

Notice for the purpose of the deceased shareholder's participation in the Plan may be given by persons authorised to act on behalf of a deceased person in accordance with the Company's constitution.

Rule 13. Variation, Suspension and Termination of the Plan

The Directors may vary the terms and conditions of the Plan as and when they consider it appropriate and may suspend or terminate the Plan when they consider it expedient. Written notice of the variation, suspension or termination of the Plan may be given to participants by either:-

- giving the notice to the ASX for release to the market, in which case the notice is taken to be given on the day it is first given to the ASX or
- by giving written notice to each participant at the address shown on the register of members in which case the notice is taken to be given 3 business days after dispatch of the notice.

Rule 14. Governing Law

This Plan shall be governed by and construed in accordance with the laws of New South Wales and the Commonwealth of Australia.

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Share Registry

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GPO Box

Ph: (within Australia)

Ph: (outside Australia)

Fax:

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