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Approved under Management Delegations

Telstra Foreign Ownership Regulations

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1 Definitions

1.1 Definitions

Capitalised terms used but not defined below have the meaning given in the company's constitution. The meanings of the terms used in this document are set out below.

Term	Meaning
ADRs	American Depository Receipts
Aggregate Foreign Ownership Limit	the meaning given in regulation 8.1
Breach Shares	the meaning given in regulations 6.1(b) and regulation 7
CHESS	the Clearing House Electronic Subregister System
CHESS participant	a participant in CHESS
Disposal Notice	a notice issued by the directors to a Foreign Member under regulations 5.1(a) or 6.1(b) containing the information set out in regulation 5.1(c)
Divestment Date	the last day of a period specified in a Disposal Notice as the date by which shares must be disposed or the date determined under regulation 6.2, as the case may be
Domestic Member	a member who in relation to a HIN or SRN holds only Domestic Shares. Such a member is to be considered a Domestic Member in relation to that HIN or SRN only
Foreign Member	<ul style="list-style-type: none">(a) a Foreign Person or an Associate of a Foreign Person who holds an interest in the shares registered in the name of that member;(b) the registered holder of shares in which a Foreign Person or an Associate of a Foreign Person has an interest; and(c) any person who is deemed a Foreign Member under regulation 1.2 or TIRT Regulation 4.
Foreign Ownership Notification Form	the form required to be lodged by certain new members upon initially acquiring shares in the company under regulation 3.3

Term	Meaning
IRs	the meaning given in the company's constitution
level of foreign ownership	the meaning given in regulation 8.1 ¹
Non-Commonwealth Shares	the total number of shares in the company held by persons other than the Commonwealth
Notification Date	the meaning given in regulation 6.4(a)
Special SRNs	the meaning given in regulation 6.1(a)
Specified Day	the meaning given in regulation 6.1(a)
TIRT	Telstra Instalment Receipt Trustee
TIRT Regulations	the regulations relating to the Telstra Instalment Receipt Trustee and foreign ownership set out in the schedule to these regulations
Warning Notice	a notice issued by the directors to a Foreign Member under regulation 5.1(a) informing the Foreign Member that the Foreign Member may be required to dispose of shares

1.2 Members who will be deemed Foreign Members²

- (a) For the purposes of these regulations, the following persons shall be deemed a Foreign Member:
- (1) the depository for the ADRs or its custodian or nominee;
 - (2) those persons holding an interest in shares represented by ADRs;
 - (3) members holding shares registered on any New Zealand branch share register, in respect of those shares only;
 - (4) Mixed Members in respect of their Foreign Holding only (unless the directors determine otherwise);
 - (5) members:
 - (A) whose registered address is not in Australia; and
 - (B) who the directors elect to treat as a Foreign Member because the member is required, but fails to return a Foreign Ownership Notification Form within the time period specified in regulation 3.3(a) or 3.4(c), as the case may be; and

¹ See also TIRT Regulation 5.2, which applies as long as IRs are on issue.

² See also TIRT Regulation 4, which applies as long as IRs are on issue.

- (6) members who the directors elect to treat as a Foreign Member because a response has not been received from the member under regulation 3.4 (other than regulation 3.4(c)) within 30 days after the date the response was required by that regulation.

2 Foreign Register

2.1 Establishment of Foreign Register

- (a) The directors may establish and maintain a Foreign Register which will record, amongst other things, those members who are Foreign Members and the number of shares in the Foreign Holding of each Foreign Member.
- (b) The Foreign Register does not form part of the Register of the company.
- (c) The Foreign Register may be prepared or kept by recording or storing the information by means of a mechanical, electronic or other device.

2.2 New Zealand branch share register and ADR program

- (a) The directors may determine that only shares which are not, and may not become, subject to a Warning Notice or a Disposal Notice under regulation 5.1(a) may be:
 - (1) recorded or remain on any New Zealand branch share register; or
 - (2) transferred into the ADR program,and may:
 - (3) decline to record on the New Zealand branch share register or transfer into the ADR program; or
 - (4) in the case of shares already recorded on the New Zealand branch share register, remove to the company's Register,shares which they believe, or are concerned, may become, subject to a Warning Notice or a Disposal Notice.
- (b) Notwithstanding regulation 2.2(a), shares may only be transferred onto the New Zealand branch share register or into the ADR program if:
 - (1) Disposal Notices have not been issued and are not able to be issued in relation to the relevant shares; or
 - (2) the transfer would not result in the shares being placed in a Special SRN in accordance with regulation 6.1.

2.3 Reliance on information provided by members and in Foreign Register

- (a) The information in the Foreign Register is to be taken as correct unless proven otherwise.
- (b) The directors may rely on information in the Foreign Register when forming a belief as to whether an Unacceptable Foreign Ownership Situation exists.
- (c) For the purposes of the Foreign Register, the directors and the company will be entitled to rely on information provided by CHESSE participants, members and persons acting or purporting to act on their behalf, TIRT and the registrar of TIRT's Foreign Register under these regulations or otherwise.

3 Obligations of members to notify company of Foreign Holding

3.1 Members to provide information regarding foreign ownership of shares

Members must provide the directors with information regarding the foreign ownership of their shares at the times and in the manner set out in this regulation 3.

3.2 Initial notification obligations – acquisitions through CHES

If shares in the company are initially acquired through CHES, the CHES participant must provide the information required by the ASTC Settlement Rules to ensure that the company is notified whether the CHES participant will be a Foreign Member or a Mixed Member.

3.3 Initial notification obligations – acquisitions other than through CHES

- (a) If, for any reason, shares in the company are initially acquired other than through CHES and the acquirer will be a Foreign Member or a Mixed Member, the member (on its own behalf or through an agent) must complete and return a Foreign Ownership Notification Form within 5 business days after the registration of the acquisition of the shares, except that:
- (1) acquirers of shares to be registered on the New Zealand branch share register; and
 - (2) the depository for the ADRs (or its custodian or nominee),
- do not need to return a Foreign Ownership Notification Form.
- (b) For the avoidance of doubt, a Foreign Ownership Notification Form is only required in respect of a member's initial acquisition of shares and not in relation to each acquisition of shares by a member unless the shares are to be registered in a different HIN or SRN.
- (c) Foreign Ownership Notification Forms are available from brokers, the Exchange, the company and the company's share registrar.
- (d) A Foreign Ownership Notification Form requires each new member to indicate if they are a Foreign Member or a Mixed Member. A Foreign Ownership Notification Form is only valid if the relevant HIN or SRN is quoted.

3.4 Continuing notification obligations

(a) Ongoing obligations of members

Members must notify the directors:

- (1) within 5 business days if they become, or cease to be, a Foreign Member or Mixed Member;
- (2) within 5 business days if there is a change to their Foreign Holding;
- (3) as soon as practicable if they become aware that an Unacceptable Individual Foreign-Ownership Situation exists in relation to any of the shares held by them;
- (4) as soon as practicable if they become aware that an Unacceptable Individual Foreign-Ownership situation exists in relation to any person who has an interest in any shares held by the member (and, if so, the name of the relevant person and total number of shares in which that person has an interest).

(b) Annual audit

Each year (or at such other intervals as the directors determine from time to time), each member registered as holding more than 0.05% of the Non-Commonwealth Shares will be requested to state in relation to each of their HINs or SRNs:

- (1) whether they are a Foreign Member or Mixed Member;
- (2) the number of shares (if any) in the member's Foreign Holding;
- (3) to the knowledge of the member:
 - (A) the identity of each Foreign Person or Associate of a Foreign Person who has an interest in the shares registered in the name of the member;
 - (B) the total number of shares in which that person has an interest; and
 - (C) if that person is an Associate of a Foreign Person, the name of the relevant Foreign Person; and
- (4) whether the member is aware of an Unacceptable Individual Foreign-Ownership Situation of the type referred to in regulations 3.4(a)(3) and 3.4(a)(4) (and, if so, details of that situation).

Members must respond to a request under this regulation 3.4(b) within 5 business days after receipt of the request.

(c) Occasional request for information

The directors may, at any time, send to a member who:

- (1) has an address which is not in Australia;
- (2) has notified the directors that they are a Foreign Member or Mixed Member;
- (3) has not provided a notification required to be provided under this regulation 3;
- (4) holds an interest representing more than 0.05% of the Non-Commonwealth Shares;
- (5) the directors have reason to believe, or are concerned, may be a Foreign Member; or
- (6) the Minister has requested be sent such a request,

a request for information in a form approved by the directors which requires the member to inform the directors of any (or all) of the information set out in regulations 3.4(b)(1) to 3.4(b)(4) and any other information relating to foreign ownership as determined by the directors. The request may specify a time by which the member must provide the information and the penalty, if any, for failure to comply with the request.

3.5 Consequences of a failure to notify

- (a) Subject to any penalty determined by the directors under regulation 3.4(c), no penalty will be imposed for a failure to provide a Foreign Ownership Notification Form or to otherwise comply with the notification obligations in this regulation 3 except that:
 - (1) a Foreign Member may lose priority in the Foreign Register for the purposes of regulation 6.4; and
 - (2) the directors may treat all the shares registered in the member's relevant HIN or SRN as constituting a Foreign Holding.
- (b) The company is not required to follow-up any members who have not complied with the notification obligations in this regulation 3.

3.6 Number of shares deemed to be in a member's Foreign Holding

- (a) A member who in relation to a HIN or SRN is, or is deemed to be, a Foreign Member will remain a Foreign Member in relation to that HIN or SRN until notice is received under this regulation 3 that the member is no longer a Foreign Member in relation to all or part of the holding in that HIN or SRN.
- (b) The number of shares in a Foreign Member's Foreign Holding at any time shall be the lower of the number of shares:
 - (1) deemed to constitute a member's Foreign Holding under regulation 3.5(a)(2);
 - (2) registered in the HIN or SRN containing the Foreign Holding; and
 - (3) notified by the member under regulations 3.2, 3.3 or 3.4 as constituting the Foreign Holding for that HIN or SRN.
- (c) Notwithstanding any other regulation of these regulations, a Mixed Member may be treated by the directors, for the purposes of these regulations, as if the member were two separate members, one with Domestic Shares and the other with a Foreign Holding, whether or not the Mixed Member has been allocated different HINs or SRNs in relation to their Domestic Shares and their Foreign Holding.

4 Mixed Members to endeavour to use different HINs or SRNs

- (a) Where possible, a Mixed Member should maintain two separate HINs or SRNs, with all Domestic Shares held in one of the HINs or SRNs and all shares constituting the Foreign Holding held in the other HIN or SRN.
- (b) Where a Mixed Member has been allocated different HINs or SRNs under regulation 4(a), the Mixed Member must ensure that only Domestic Shares are recorded in the HIN or SRN allocated to hold the Domestic Shares.

5 Procedures for Unacceptable Individual Foreign-Ownership Situation

5.1 Directors' power to dispose of shares

- (a) If the directors believe that an Unacceptable Individual Foreign-Ownership Situation exists, the directors may (but are not obliged to) issue:
 - (1) a Warning Notice; or
 - (2) a Disposal Notice,to the relevant member in any form approved by the directors from time to time.
- (b) For the avoidance of doubt, nothing in these regulations require the directors to issue a Warning Notice to a member before issuing that member with a Disposal Notice.
- (c) The Disposal Notice may:
 - (1) require the member to dispose of all or any of the member's shares as specified in the Disposal Notice;
 - (2) require disposal to take place by the Divestment Date; and
 - (3) specify circumstances, consistent with these regulations, in which the member need not dispose of all or any of the shares the subject of a Disposal Notice if certain events happen.

- (d) If the terms of a Disposal Notice are not complied with by a member, the directors may, at any time, sell all or any of the member's shares specified in the Disposal Notice in accordance with regulation 5.1(e).
- (e) For the purposes of regulation 5.1(d):
- (1) the directors may sell the member's shares at the best price reasonably obtainable at the relevant time and any sale of shares by the directors on the Exchange will be regarded as discharging this obligation;
 - (2) each member appoints the company and each of the directors jointly and severally as its attorney (with power to appoint sub-attorneys) in the name of the member and on behalf of the member to execute any documents and implement any procedures as may be necessary or desirable in the opinion of the attorney to procure the sale and transfer of shares on behalf of the member; and
 - (3) the title of the transferee to any shares sold under regulations 5.1(d) and 5.1(e) is not affected by any irregularity or invalidity in connection with the sale and transfer of the shares to the transferee (but nothing in this regulation 5.1 prevents the exercise by the directors of their powers under these regulations if the transferee is a Foreign Member).

5.2 Treatment of proceeds of sale

- (a) The proceeds of any sale of shares under regulation 5.1 will be dealt with in accordance with rule 9 of the constitution.
- (b) The net amount payable to the member may be paid in any manner determined by the directors under rule 12.7(a) of the constitution.

6 Procedures for Unacceptable Aggregate Foreign-Ownership Situation

6.1 Procedures when Aggregate Foreign Ownership Limit exceeded

- (a) If, as a result of a day's (**Specified Day**) registrations, the Aggregate Foreign Ownership Limit is exceeded, all shares registered in the names of Foreign Members as a result of that day's registrations (including those shares which are deemed registered on that day under regulation 6.4) will be registered in separate SRNs (one for each affected Foreign Member) in the company's issuer sponsored sub-register (**Special SRNs**).
- (b) The shares registered in the Special SRNs (**Breach Shares**) must be divested and the company will send a Disposal Notice to all Foreign Members holding Breach Shares.
- (c) No Warning Notices will be issued in relation to Breach Shares.
- (d) If, even after the Breach Shares have been dealt with in accordance with this regulation 6, the company's level of foreign ownership still exceeds the Aggregate Foreign Ownership Limit, the limit shall be treated as also having been exceeded on the day preceding the Specified Day, and so on until the company's level of foreign ownership does not exceed the Aggregate Foreign Ownership Limit.

6.2 Foreign Members must dispose of Breach Shares

- (a) Foreign Members must dispose of Breach Shares and register a transfer to give effect to that disposal prior to the 5th business day of the month following the month in which the Disposal Notice was issued (also a **Divestment Date**). However, if that 5th business day is less than 30 calendar days after the date the Disposal Notice was issued, the Foreign

Member must dispose of the Breach Shares and register a transfer to give effect to that disposal prior to the 5th business day of the next month (also a **Divestment Date**).

Example 1: If a Disposal Notice is issued to a Foreign Member on 6 August, the Breach Shares must be disposed of and the transfer registered prior to the 5th business day of September.

Example 2: If a Disposal Notice is issued to a Foreign Member on 20 August, the Breach Shares must be disposed of and the transfer registered prior to the 5th business day of October.

6.3 Directors' power to dispose of Breach Shares

- (a) If a transfer of Breach Shares has not been registered before the relevant Divestment Date, the directors may sell all or any of the Breach Shares.
- (b) For the purposes of regulation 6.3(a), the directors may transfer the relevant Breach Shares from the Special SRN to another holding for the purposes of sale by the directors so that the Foreign Member will not be able to settle any transaction involving the Breach Shares (and this will apply to prevent settlement, even if a transaction has been entered into, but not settled before the relevant Divestment Date).
- (c) The timing and manner of the sale of Breach Shares will be solely within the discretion of the directors but may not be more than 20 business days after the relevant Divestment Date.
- (d) The proceeds of any funds required to be remitted to the relevant member under this regulation 6.3 will be dealt with in accordance with rule 9 of the constitution.
- (e) Disposal Notices issued in relation to Breach Shares will not be withdrawn prior to the relevant Divestment Date. However, Breach Shares will not be divested if, on the relevant Divestment Date, the level of foreign ownership is at or below the Aggregate Foreign Ownership Limit. In this event, an announcement will be made to the Exchange and notices will be sent to the holders of the relevant Breach Shares informing them that the Disposal Notices previously issued have been withdrawn.
- (f) The directors and the company will be under no liability to any member for any loss or disadvantage suffered by the members as a result, whether directly or indirectly, of any divestment (including the timing of the divestment).

6.4 Determining priority among Foreign Members – date on which shares considered “registered”

- (a) For the purposes of these regulations, regardless of the date of registration of a share in the name of a member, the date of registration of a share in the name of a member shall be the notification date as determined under regulation 6.4(b) (**Notification Date**).
- (b) For the purposes of regulation 6.4(a):
 - (1) Initial notifications of the status of a member (ie. Foreign Member or Mixed Member) in relation to a HIN or SRN will be treated as if the Notification Date for that HIN or SRN by the share registrar was the date of registration of all the shares then held by that member in that HIN or SRN;
 - (2) Notifications of a change of status of a member (eg. Foreign Member to Domestic Member or Domestic Member to Mixed Member) in relation to a HIN or SRN will be treated as follows:
 - (A) notification of a change of status from domestic to foreign will be treated as if the Notification Date was the date of registration of all of the shares then held by that member in that HIN or SRN;
 - (B) notification of a change of status from domestic to mixed will be treated as if the Notification Date was the date of registration of that

- portion of the shares held by that member in that HIN or SRN which, upon notification, will constitute a Foreign Holding;
- (C) notification of a change of status from mixed to foreign will be treated as if the Notification Date was the date of registration of that portion of the shares held by that member in that HIN or SRN which immediately prior to notification constituted Domestic Shares; and
 - (D) notification of a change of status from foreign to domestic, foreign to mixed or mixed to domestic will not increase the level of foreign ownership and the shares the subject of such a notification will, following registration of the change and receipt of any supporting material requested, not be liable to be divested.
- (3) The Notification Date for a response by a Mixed Member to a notice given by the directors under regulations 3.4(b) or 3.4(c) will be treated as if it were the date of registration of that portion of the shares held by that member which equals the increase (if any) in the number of shares notified in the relevant notice as constituting that member's Foreign Holding over the number of shares then treated as being in that member's Foreign Holding under regulation 3.6.
 - (4) The date on which the directors elect to treat a member as a Foreign Member in relation to a HIN or SRN in accordance with regulations 1.2(a)(5) or 1.2(a)(6) or TIRT Regulation 4(b) will be treated as the date of registration of all the shares then held by that member in that HIN or SRN.
- (c) For the purposes of regulation 6.4(b), the Notification Date means:
 - (1) in relation to notifications given through CHESSE, the date an electronic notification received through CHESSE is processed in accordance with the scheduled times specified in the ASTC Settlement Rules; and
 - (2) in relation to notification not given through CHESSE (including, but not limited to, Foreign Ownership Notification Forms) the date of processing of the Foreign Ownership Notification Form or other notification, such date being within 5 business days of the receipt of the notification.
 - (d) For the purposes of these divestment procedures:
 - (1) a notification (including, without limitation, a Foreign Ownership Notification Form) will only be valid if the relevant HIN or SRN is quoted;
 - (2) for the purposes of non-CHESSE transactions, Foreign Ownership Notification Forms and other notifications will be treated as being processed on the date the registrar matches the Foreign Ownership Notification Form or other notification with the relevant transfer or transmission application, and in any event no earlier than the date of registration of that transfer or transmission application; and
 - (3) both notifications given through CHESSE and otherwise may be treated by the company as being given in relation to both IRs and shares in the relevant HIN or SRN, even if not so expressed.

6.5 Treatment of foreign to foreign transactions

- (a) For transactions other than through CHESSE, there will be no special facility through which "foreign to foreign" transfers may be quarantined from the divestment procedures in this regulation 6.
- (b) Transfers of shares not held in a Special SRN, and which are traded through the special CHESSE "foreign to foreign allocation system", will not be recorded in a Special SRN and, therefore, will not potentially be liable to divestment. These purchases will be recorded in the normal CHESSE HINs or SRNs.
- (c) Disposal Notices will not be issued in relation to shares registered on the New Zealand branch register or represented by ADRs (except pursuant to regulation 5).

7 Procedures when Individual Foreign-Ownership Limit exceeded

- (a) If, as a result of the enquiries and notifications described in these regulations, and having regard to the information recorded in the Foreign Register in relation to shares, the company believes that an Unacceptable Individual Foreign-Ownership Situation exists, the directors:
- (1) will identify the number of shares in which they believe the Foreign Person has an interest and which are in excess of the individual foreign ownership limit (**Breach Shares**);
 - (2) may register the Breach Shares in a separate SRN in the company's issuer sponsored sub-register under regulation 6.1(a);
 - (3) will issue a Disposal Notice to the Foreign Member in respect of the Breach Shares under regulation 6.1(b); and
 - (4) if such disposal does not occur within 30 days of the date of the Disposal Notice, will sell the relevant number of shares and regulation 6.3 will apply.

8 Telstra's obligations to notify the Exchange

8.1 Obligation to notify Exchange on exceeding certain limit³

By 9.00 am each day, the company will determine, by reference to the Foreign Register, the total number of shares held or treated as being held by Foreign Members (**level of foreign ownership**) and will, in accordance with the Listing Rules, inform the Exchange (and the market) when it becomes aware that the level of foreign ownership:

- (a) is equal to or exceeds a number of shares representing a percentage of the Non-Commonwealth Shares which is 5 percentage points below the Aggregate Foreign Ownership Limit and, thereafter, where it has changed by a number of shares representing more than 1% of the Non-Commonwealth Shares; or
- (b) equals or exceeds a number of shares representing the percentage of shares which is 35% of all Non-Commonwealth Shares (the **Aggregate Foreign Ownership Limit**).

8.2 Obligation to notify Exchange when cease to exceed certain limit

The company will, in accordance with the Listing Rules, inform the Exchange (and the market) when the level of foreign ownership has ceased to equal or exceed a number of shares representing the Aggregate Foreign Ownership Limit of the Non-Commonwealth Shares or falls to less than 5% below that limit.

9 Co-operation with TIRT

- (a) The company and TIRT have agreed to cooperate in respect of the implementation of these regulations and the TIRT Regulations and the TIRT Rules.
- (b) Anything required or permitted to be done by TIRT under the TIRT Regulations or TIRT Rules may be done by the company or by the company's share registrar on its behalf.

³ See also TIRT Regulation 5.2, which applies as long as IRs are on issue.

- (c) The company may direct TIRT in respect of anything to be done by TIRT under the TIRT Regulations or the TIRT Rules. TIRT has agreed that it will act on the company's instructions.
- (d) Information provided to the company under these regulations will be made available to TIRT, and TIRT has agreed to make information provided to it under the TIRT Regulations or the TIRT Rules available to the company.

10 Share registrar may act on the company's behalf

Anything required or permitted to be done by the company under these regulations may be done by the company or by the company's share registrar on its behalf.

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TIRT Regulations

1 Definitions

1.1 Definitions

Capitalised terms used in this schedule but not defined in these regulations (including the TIRT Regulations in this schedule) have the meaning given in the company's constitution. The meanings of the terms used in this schedule are set out below.

Term	Meaning
Breach IRs	the meaning given in TIRT Rule 6.1(b) and TIRT Rule 7
Final Instalment	the meaning given in the IR Trust Deed
Final Instalment Due Date	the meaning given in the IR Trust Deed
Foreign IR Holder	the meaning given in the TIRT Rules
Initial IR Holder	the meaning given in the IR Trust Deed
Joint Foreign Register	the meaning given in TIRT Regulation 3.2(a)
Mixed IR Holder	the meaning given in the IR Trust Deed
Offer	the meaning given in the IR Trust Deed
TIRT Rules	the meaning given in TIRT Regulation 3.1(a)
TIRT's Foreign Register	the meaning given in TIRT Regulation 3.1(a)

2 Operation of TIRT Regulations

These TIRT Regulations become operative on the date on which IRs are first traded on the Exchange, then remain operative as long as IRs are on issue.

3 TIRT's Foreign Register and Joint Foreign Register

3.1 TIRT's Foreign Register

- (a) TIRT has agreed to establish and maintain a foreign register (**TIRT's Foreign Register**) of holders of IRs and to maintain rules and procedures regulating foreign ownership which parallel these regulations (**TIRT Rules**), for so long as any IRs remain outstanding, and to take action to enforce the TIRT Rules when requested by the company.
- (b) The company may include in the Foreign Register information relating to foreign ownership recorded in TIRT's Foreign Register.

3.2 Joint Foreign Register

- (a) The company and TIRT have agreed that the Foreign Register will be maintained jointly (in such manner as TIRT and the company may agree from time to time) with TIRT's Foreign Register. These jointly maintained registers (together the **Joint Foreign Register**) will contain the information required to be kept by TIRT in respect of Foreign IR Holders and by the company in respect of Foreign Members.
- (b) The Joint Foreign Register will also, where relevant, contain an aggregation of the numbers of IRs and shares held by each Foreign IR Holder and each Foreign Member. If, for any reason, the company determines that this is not practicable, the company's share registrar will perform this aggregation each day for the 200 Foreign IR Holders having the largest IR Holdings on the Joint Foreign Register and the 200 Foreign Members having the largest share holdings on the Joint Foreign Register (and this daily aggregation will become part of the information comprising the Joint Foreign Register).

3.3 Transfer of IR Register information to company

- (a) At and after the Final Instalment Due Date, the information contained in the IR Register maintained by TIRT will be transferred to the company's share register, as will information on holdings of IRs by Foreign Persons and any other information relating to foreign ownership incorporated in TIRT's Foreign Register. This information will supplement information already contained in the company's Foreign Register.
- (b) After TIRT has transferred information to the company under TIRT Regulation 3.3(a), the company will give TIRT access to that information during office hours to the extent TIRT needs the information to perform its obligations to the Commonwealth under the IR Trust Deed in respect of the sale of shares where the Final Instalment is not paid on the Final Instalment Due Date.

4 Identification of Foreign Holdings

- (a) Where a person has given notice (whether physically or electronically through CHES) that it is (or where the person is deemed by these regulations to be):
 - (1) a Foreign Member;
 - (2) not a Foreign Member; or
 - (3) a Mixed Member,in respect of any shares held in a particular HIN or SRN, TIRT and the company may, notwithstanding anything else in these regulations, also treat the person as being, respectively:
 - (4) a Foreign IR Holder;

- (5) not a Foreign IR Holder; or
 - (6) a Mixed IR Holder,
- in respect of any IRs held in that HIN or SRN.
- (b) Where a person has given notice (whether physically or electronically through CHESST) that it is (or where the person is deemed by the TIRT Rules to be):
- (1) a Foreign IR Holder;
 - (2) not a Foreign IR Holder; or
 - (3) a Mixed IR Holder,
- in respect of any IRs held in a particular HIN or SRN, TIRT and the company may, notwithstanding anything else in these regulations, also treat the person as being, respectively:
- (4) a Foreign Member;
 - (5) not a Foreign Member; or
 - (6) a Mixed Member,
- in respect of any shares held in that HIN or SRN.

5 Obligation to notify of Foreign Holdings

5.1 Continuing notification obligations

- (a) The company and TIRT have agreed that if the company makes a request under regulation 3.4(b) or 3.4(c), such request also will be made to IR Holders jointly by TIRT and the company under the TIRT Rules and the request will relate to both shares (in accordance with these regulations) and to IRs (in accordance with rule 3.4(b) or 3.4(c) and 3.4(d) of the TIRT Rules) held by the IR Holders, and that the answers to such request (both as regards IRs and shares) will be provided to both the company and TIRT.

5.2 Telstra's obligation to notify the Exchange

- (a) By 9.00 am each day, the company will determine, by reference to the Joint Foreign Register, the total number of IRs held or treated as being held by Foreign IR Holders (the **IR level of foreign ownership**).
- (b) The company will aggregate the IR level of foreign ownership with information drawn from the Joint Foreign Register regarding the number of shares (excluding shares held by TIRT) held or treated as being held by Foreign Members (the **share level of foreign ownership**) for the purposes of notifying the Exchange (and the market) of the level of foreign ownership under regulation 8.
- (c) For so long as these TIRT Regulations apply, for the purposes of regulation 8:
- (1) "level of foreign ownership" will include the IR level of foreign ownership aggregated with the share level of foreign ownership; and
 - (2) a reference to "shares" will include a reference to "shares and/or IRs".

6 Procedures when Aggregate Foreign-Ownership Limit exceeded

- (a) Regulation 6 specifies the procedures the company will follow when the Aggregate Foreign Ownership Limit is exceeded. TIRT has agreed that similar steps will be taken by TIRT, in consultation with the company, in respect of IRs registered in the names of Foreign IR Holders as a result of that day's registrations or deemed registrations.
- (b) Notwithstanding TIRT Regulation 6.1(a), IRs registered in the names of Initial IR Holders on settlement of the Offer (**Offer Registrations**) shall not be registered in Special SRNs or treated as Breach IRs.
- (c) TIRT Regulation 6.1(b) does not affect the treatment of other registrations and deemed registrations occurring on the same day as the Offer Registrations, which will be dealt with in accordance with TIRT regulation 6.1(a) and TIRT Rule 6.
- (d) For the purposes of regulation 6.1 and TIRT Rule 6, the number of Breach IRs and Breach Shares will be combined to determine whether an Unacceptable Aggregate Foreign Ownership situation exists.

7 Procedures when Individual Foreign-Ownership Limit exceeded

- (a) Regulation 7 specifies the procedures the company will follow when the Individual Foreign-Ownership Limit is exceeded. The company and TIRT have agreed that if the directors, as a result of the enquiries and notifications described in the regulations, and having regard to the information recorded in the Joint Foreign Register in relation to both shares and IRs, believe that an Unacceptable Individual Foreign-Ownership Situation exists, the directors:
 - (1) will identify the number of shares in which they believe the Foreign Person and its Associates have an interest (including IRs) and which are in excess of the individual foreign ownership limit (Breach Shares and Breach IRs) and inform TIRT of their determination;
 - (2) may direct TIRT to register any Breach IRs in a separate SRN in accordance with the TIRT Rules;
 - (3) may direct TIRT to issue a Disposal Notice (as defined in the TIRT Rules) to the Foreign IR Holder in respect of the Breach IRs in accordance with the TIRT Rules; and
 - (4) if such disposal does not occur within 30 days of the date of the Disposal Notice (as defined in the TIRT Rules), will direct TIRT to sell the relevant number of IRs in accordance with the TIRT Rules.
- (b) TIRT has agreed that, upon being informed by the company that IRs are Breach IRs in accordance with TIRT Regulation 7(a)(1) above and TIRT Rule 7, it will follow the company's directions in respect of the Breach IRs.