

TESOP Trade Restriction Periods

Where you sought the relevant \$1,000 tax exemption (in your 1997/98 tax return and/or your 1999/2000 tax return)

Share Type	Restriction Period Expiry Date
TESOP 97 – Loan Shares / Extra Loan Shares	Latter of : <ul style="list-style-type: none"> 15 November 2000; or the date the loan is repaid ¹
TESOP 97 – Extra (1:4) Non-loan Shares	Earlier of: <ul style="list-style-type: none"> 15 November 2000; or when you cease employment with the Telstra Group ²
TESOP 99 – Extra (1:4) Shares and TESOP 99 – Loyalty (1:10) Shares	Earlier of: <ul style="list-style-type: none"> 16 October 2002; or when you cease employment with the Telstra Group ²
TESOP 99 - Loan Shares	For continuing employees the date is the latter of : <ul style="list-style-type: none"> 16 October 2002; or the date the loan is repaid ³
<ol style="list-style-type: none"> This is irrespective of whether your relevant employment with the Telstra Group has ceased. If you had ceased employment prior to 15 November 2000, the relevant date was when the loan was repaid. Where the shares are sold for you by the Trustee, the relevant time is immediately prior to when the shares are sold. This also includes situations where you cease employment with a company that was part of the Telstra Group at the time of the relevant Telstra float (and you were employed by that company at the time of the float). This is irrespective of whether your relevant employment with the Telstra Group has ceased. However, if you cease employment prior to 16 October 2002, the relevant date is when the loan was repaid. Where the shares are sold for you by the trustee, the relevant time is immediately prior to when the shares are sold. 	

Where you did not seek the relevant \$1,000 tax exemption (in your 1997/98 tax return and/or your 1999/2000 tax return)

The expiry of the relevant Restriction Period will be determined in the same manner as described in the table.

When working out whether you make a capital gain or loss when you sold your TESOP shares, the tax cost will be the Tax Market Value of those shares at the earlier of:

- the abovementioned times;
- when your relevant employment with the Telstra Group ceased; or
- The 10 year anniversary of the relevant share scheme.

Disclaimer

This is a general description of the tax consequences, which can apply to your participation in TESOP 97 or TESOP 99. The tax consequences for you may be different depending on your own circumstances, particularly if you have participated in other employee share schemes, if you have any particular arrangements in relation to your shares or for shares you acquire otherwise than under TESOP 97 or TESOP 99.

All information provided is of a general nature only and circumstances may vary greatly between participants. The information has been prepared for participants who are, and will continue to be, Australian tax residents. The information does not apply to:

- (a) individuals engaged in foreign service;
- (b) temporary residents of Australia for tax purposes; or
- (c) individuals who are no longer employees of Telstra.

If you fall within one of these categories you should discuss the matter with your tax advisor.

The description of the capital gains tax consequences of your participation in TESOP 97 and/or TESOP 99 is based on **Class Ruling (CR 2001/28) issued by the Commissioner of Taxation.**

If you have any questions about preparing your tax return or the tax consequences of your participation in TESOP 97 or TESOP 99 (including the capital gains tax consequences) in your particular circumstances, you **should seek guidance from your own registered tax adviser.**