

Dividend Reinvestment Plan Guide

Participation in the Dividend Reinvestment Plan (**DRP** or **Plan**) is subject to the Dividend Reinvestment Plan Rules (**Plan Rules**) which are available at PIPE Networks' (the **Company**) website (www.pipenetworks.com). These questions and answers are intended only as a summary and guide to the Plan Rules.

This guide has been prepared without taking into account your investment objectives, financial situation or needs. The Company recommends that you review the Plan Rules in full and seek professional tax and financial advice before making your election.

How does the Plan work?

Under the Plan, eligible shareholders can choose to reinvest dividends on all or a specified number of their shares, to acquire further fully paid ordinary shares in the Company instead of receiving dividends in cash.

Who can participate in the Plan?

All shareholders with a registered address in Australia or New Zealand are eligible to participate in the Plan.

Do I have to participate?

Participation in the Plan is entirely optional. If you do not return a Reinvestment Plan Application Form you will continue to receive cash dividends in the usual way.

What will it cost me to participate?

Shares allocated under the Plan are not subject to any brokerage or commission costs. Costs of administering the Plan are borne by the Company.

You will be responsible for any costs associated with independent advice sought in relation to participation along with any liability or other impost resulting from participation in the Plan.

How do I participate in the Plan?

To participate in the Plan you need to complete the Reinvestment Plan Application Form and return it to the Share Registry.

When will my participation begin?

Subject to eligibility, your participation will begin with the first dividend payment after receipt of your application form. This is subject to the form being received by the Share Registry on or before the record date for that dividend.

Can I participate in the Plan for only a portion of my shares?

Yes, you will be able to indicate this on the Reinvestment Plan Application Form. In the case of partial participation, your participation will depend on the specified

number or percentage of shares you nominate to participate in the Plan. Your entitlement to cash dividend payments in respect of shares not participating in the Plan will be paid in the normal way.

If you return an application form and do not specify partial participation, then you will be deemed to have elected full participation.

What if I have more than one shareholding?

A separate application form will need to be lodged for each shareholding registered under different names or for each shareholding that has a different shareholder registered number.

At what price will shares be issued under the Plan?

The price of shares allocated under the Plan will be calculated by using the average of the daily volume weighted average price for a period of 5 trading days commencing on the second day after the record date in respect of the relevant dividend, less any discount the Board may declare.

What is the discount?

The Board has declared that, at present, a discount of 7.5% will apply.

When will my shares be issued?

Shares will be issued on or as soon as practicable after the payment date for the relevant dividend.

How do I change my participation or cease to participate?

Simply complete and return a new Reinvestment Plan Application or Variation Form. The change will be effective from the next dividend date after it is received, provided the form is received by the Share Registry before the relevant record date for that dividend.

Where can I get additional Reinvestment Plan Applications or Variation Forms from?

You can request additional Reinvestment Plan Applications or Variation Forms by calling the Share Registry on +61 2 8280 7454 or visit the Company's website at www.pipenetworks.com

Can I sell my shares when I choose?

You can sell your shares at any point in time, including shares that you have received under the Plan.

Shares that are sold will be removed from the Plan as soon as a valid transfer document has been received by the Share Registry.

Where you have registered only partial participation in the Plan and you elect to sell some of your shares, the shares sold will be assumed to be non participating shares unless the Share Registry is otherwise notified.

What happens if I acquire more shares?

If you acquire more shares (including under the Plan) and you have elected for full participation, those shares will also become participating shares in the Plan.

If you have elected partial participation in the Plan with a specified number of shares participating, then any additional shares you acquire above that number (including under the Plan) will not be participating shares.

Can the Plan Rules be varied, suspended or terminated?

The Board reserves the right to vary, suspend or terminate the Plan at any time.

What are the tax implications of participating in the Plan?

Neither the Company nor its Share Registry is in a position to answer enquiries concerning the financial or taxation implications for shareholders. The company suggests participants seek independent professional advice concerning their taxation position.

The Company does not accept any responsibility for any interpretation of, or application by, shareholders of the general information set out in this document. In particular, this information is relevant only for residents of Australia and cannot be relied upon by non-residents of Australia.

Under current Australian tax legislation, dividends reinvested under the Plan will be assessable for income tax purposes in the same manner as cash dividends. The dividend may also be fully or partly franked under Australia's dividend imputation system. Any franking credits attached to the dividend also form part of your Australian taxable income. However, you are generally entitled to a rebate of tax based on the franking credits attached to the dividend.

For Capital Gains Tax purposes under current Australian tax legislation, shares transferred under the Plan will have a cost base equal to the amount of cash dividend entitlement which is reinvested. Shareholders may be subject to tax on disposal of the shares depending on the sale proceeds and the cost base of the shares.

How can I get more information?

The Plan Rules, this Guide and Application and Variation Form are available from the Company's website at www.pipenetworks.com under the Investor Relations' tab. If you require any further information, please contact:

Share Registry
Link Market Services Limited
T: +61 2 8280 7454

Company
PIPE Networks Limited
Company Secretary
T: +61 7 3233 9800
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