Summary of the Dividend Reinvestment Plan

The Tabcorp Holdings Limited Dividend Reinvestment Plan ("DRP") allows shareholders in Tabcorp Holdings Limited ("Tabcorp" or "the company") to reinvest all or part of the dividends payable on their Tabcorp fully paid ordinary shares in additional fully paid ordinary shares in the company.

Participation in the DRP is subject to the Rules of the DRP. A copy of the Rules of the DRP is available from the company’s website at www.tabcorp.com.au, or you may contact the company’s share registry to request a copy of the Rules free of charge.

Who can participate in the DRP?

Participation in the DRP is entirely optional. The DRP will generally be available for all holders of Tabcorp shares, except that a shareholder having a registered address or being resident in a country other than Australia may not be able to participate in the DRP because of legal requirements applicable in that country.

How does the DRP work?

Dividends otherwise payable on ordinary shares, which are subject to the DRP, will be applied on the participating shareholder’s behalf to acquire additional ordinary shares in the company. The company may in its discretion either allot new shares or cause existing shares to be acquired on-market for transfer to shareholders who participate in the DRP.

If any withholding tax is payable in respect of the dividend or there is any other amount which the company must retain (for example, if a shareholder does not quote a tax file number), these amounts will be deducted from the dividend and the balance will be applied in subscribing for shares. Shares allotted under the DRP will rank equally in all respects with existing ordinary shares and will be quoted on the Australian Securities Exchange.

At what price will new shares be issued under the DRP?

The new shares will be issued at a price equal to the average (rounded to the nearest cent) of the daily volume weighted average market price of Tabcorp shares sold in the ordinary course of trading on the Australian Securities Exchange over a period of ten business days beginning on the second business day after the relevant dividend record date, less such discount (if any) set by the Board from time to time (such discount not to exceed 2.5%).

Determination of entitlement

The dividend payable on a participant’s Tabcorp shares which are subject to the DRP will be credited to a ‘DRP account’ and that amount (less any withholdings as described above) will be applied in subscribing for the maximum whole number of fully paid ordinary shares in the company that may be allotted at the price described above. Any balances remaining in a participant’s DRP account after the allotment of shares under the DRP will be carried forward and added to the next dividend entitlement. No interest will accrue in respect of any balance in a participant’s DRP account.

What is the cost of participation?

No brokerage, commission, stamp duty or other transaction costs will be payable by participating shareholders in respect of shares issued under the DRP.

If I want to participate in the DRP do all my shares have to participate?

No. A shareholder can elect to participate in the DRP in respect of all shares registered in their name or a specified number of shares registered in their name. If a shareholder elects to participate in the DRP in respect of a specified number of shares only, the dividend on the shares which do not participate in the DRP must be paid by Direct Credit into a nominated account with an Australian financial institution.
What do I have to do to participate in the DRP?

Eligible shareholders may elect to participate in the DRP in respect of all or a specified number only of their shares at any time by completing an election form and returning it to the company's share registry.

Shareholders may also elect to vary the level of participation or withdraw from the DRP at any time by completing an election form and returning it to the company. Participation in the DRP will commence with the first dividend payment after receipt of the election form provided that it is received by the company no later than the business day immediately following the record date for the dividend. Similarly, an election by a shareholder to vary the level of participation or withdraw from the DRP will only be effective in relation to a forthcoming dividend if an election form is received by the company no later than the business day immediately following the record date for the dividend.

If the share registry receives an election form that does not indicate the level of participation in the DRP, it will be deemed to be an application for full participation.

What happens if I sell some of my shares?

If a shareholder has elected to participate in the DRP in respect of a specified number only of the shares registered in the name of the shareholder and subsequently sells a parcel of shares, those shares which do not participate in the DRP will be deemed to have been sold first.

What happens if I acquire more shares?

If a shareholder has elected to participate in the DRP in respect of all of the shares registered in their name, all additional shares acquired in the future will be deemed to participate in the DRP. If a shareholder has elected to participate in the DRP in respect of a specified number only of the shares registered in their name, all shares subsequently acquired by the shareholder, whether under the DRP or otherwise, will not participate in the DRP. A new election form increasing the level of participation will need to be completed and provided to the company before these shares can participate in the DRP.

Do I get a statement?

Participants in the DRP will be sent a statement after each dividend payment, detailing their participation in the DRP.

What happens if I have more than one shareholding?

You will need to lodge a separate DRP election form for each registered shareholding. You may wish to contact the company’s share registry to consolidate your details into a single shareholding.

How does the DRP affect my tax position?

The company does not, and cannot, provide taxation advice to shareholders and does not accept any responsibility for any interpretation of, or application by, shareholders of the general information set out below. The company suggests participants seek independent professional advice concerning their taxation position.

Under current Australian income tax legislation, dividends reinvested under the DRP will be assessable for income tax in the same manner as cash dividends.

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

How do I get more information?

The terms and conditions of the DRP are detailed more fully in the Rules of the DRP and participation in the DRP is subject to these Rules. A copy of the Rules of the DRP is available from the company’s website at www.tabcorp.com.au, or you may contact the company’s share registry to receive a copy of the Rules free of charge. If you wish to enquire about the DRP, please contact the company’s share registry.