

3 December 2008



The Manager
Company Announcement Office
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www.tsinfrastructurefund.com

Dear Sir/Madam

**RE: TRANSFIELD SERVICES INFRASTRUCTURE FUND (TSI)
DISTRIBUTION REINVESTMENT PLAN (DRP)**

At TSI's AGM on 14 November 2008, the Chairman advised that the Board had approved the introduction of a DRP effective from the interim distribution for the year ending 30 June 2009.

The DRP will be offered on the following terms:

1. The DRP will be offered to securityholders with a registered address in Australia or New Zealand and who are registered holders of TSI securities on TSI's Record Date as at 31 December 2008; and
2. The DRP securities will be issued at a 5% discount to the daily volume weighted average market price per security of securities sold on the ASX during the 10 day trading period that commences on 13 March 2009 (Average Market Price). TSI has the discretion to adjust the issue price if it considers that the Average Market Price does not represent the fair market value of TSI securities.

Attached are the following documents dispatched to TSI securityholders today in relation to the implementation of the DRP:

- Chairman's letter
- DRP Plan Guide
- DRP Election/Variation Form
- DRP Rules, which are also available on TSI's website www.tsinfrastructurefund.com.

Yours sincerely


Marianne Suchanek
Company Secretary

Transfield Services Infrastructure Fund is the triple stapled structure comprised of Infrastructure Fund Management Limited (ABN 70 118 203 731) as Responsible Entity for Transfield Services Infrastructure Trust (ARSN 125 010 531), Transfield Services Infrastructure Limited (ABN 31 106 617 332) and TSI International Limited (ABN 68 124 582 547)

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Dear Securityholder,

I am pleased to offer Eligible Holders the opportunity to participate in the Transfield Services Infrastructure Fund* (TSI Fund) Distribution Reinvestment Plan (Plan).

The Plan gives Eligible Holders the opportunity to reinvest some or all of their TSI Fund distributions in additional TSI Fund securities, free of brokerage and transaction costs and at a five per cent discount to market price, as described more fully in the enclosed Distribution Reinvestment Plan Guide (Plan Guide).

Eligible Holders are securityholders with a registered address in Australia or New Zealand. To participate in the Plan for the interim distribution for the year ending 30 June 2009, you must be a registered holder of securities on TSI Fund's record date as at 31 December 2008.

The Plan increases funds available to TSI Fund to continue to develop and manage its portfolio of assets. A key strength of TSI Fund is its capacity to significantly enhance the value of its existing assets by implementing innovative, low-cost solutions. Examples include the wet compression expansion of Kemerton Power Station (additional 40MW) and blade upgrade of Townsville Power Station (additional 10MW). These investments also illustrate the value to TSI Fund of its association with expert operations and maintenance company Transfield Services, which identifies and implements such opportunities.

Participation in the Plan is voluntary, and you may vary or cancel your participation in the future in accordance with the Distribution Reinvestment Plan Rules (Plan Rules).

To participate in the Plan, you must complete the enclosed Election Form and return it to our security registry, Computershare. To participate in the Plan for the interim distribution for the year ending 30 June 2009, you must return your Election Form to Computershare by no later than **30 January 2009**. Election Forms received after this date will participate from the next distribution.

You can also complete your election online at www.investorcentre.com/drp by entering your SRN or HIN and entering the relevant information. Joint holders of TSI Fund securities cannot apply online.

The enclosed Plan Guide summarises key aspects of the Plan. The Plan Rules can be obtained at www.tsinfrastructurefund.com. If you have any further questions, you should consult your stockbroker or licensed financial adviser.

Included in this mailing is an election form for eTree. Register your email address to receive all your TSI Fund communications electronically and a \$1 donation will be made to Landcare Australia to support reforestation projects across Australia and New Zealand.

On behalf of the Board, I invite you to consider this opportunity to increase your investment in TSI Fund.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Peter Young".

Peter Young
Chairman

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Transfield Services Infrastructure Fund (TSI Fund)

is the triple stapled structure comprised of Infrastructure Fund Management Limited ACN 118 203 731 as trustee and Responsible Entity for Transfield Services Infrastructure Trust (ARSN 125 010 531), Transfield Services Infrastructure Limited ACN 106 617 332 and TSI International Limited ACN 124 582 547.

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Transfield Services Infrastructure Fund Distribution Reinvestment Plan Guide



Participation in the Distribution Reinvestment Plan (*Plan*) is subject to the Distribution Reinvestment Plan Rules (*Plan Rules*) which are available at www.tsinfrastructurefund.com. These questions and answers are intended only as a summary and guide to the Plan Rules.

This guide has been prepared without taking account of your investment objectives, financial situation or needs. TSI Fund recommends that you review the Plan Rules in full and seek professional tax and financial advice before making your decision to participate in the Plan.

How does the Plan work?

Under the Plan, Eligible Holders can choose to reinvest distributions for all or a specified number or percentage of their securities, to acquire further fully paid ordinary securities in TSI Fund instead of receiving distributions in cash.

Each securityholder's holding of securities comprises an equal number of units in Transfield Services Infrastructure Trust ('TSIT'), shares in Transfield Services Infrastructure Limited ('TSIL') and shares in TSI International Limited ('TSIIL'). Therefore, for each securityholder who elects to participate in the Plan, each unit in TSIT and share in TSIL and TSIIL for which a securityholder participates will be subject to the Plan.

Do I have to participate?

No, participation is optional. If you decide not to participate, there is no need to do anything. You will continue to receive cash distributions in the usual way.

What will it cost me to participate?

There are no fees to participate in the Plan. You will not be charged brokerage, commission, transaction or stamp duty costs for any issue or transfer of securities under the Plan. However, you will still be liable for income tax in the same way as if you had received a cash distribution.

Who can participate?

All securityholders who are residents of Australia and New Zealand can participate in the Plan. Securityholders with a registered address outside those countries are not currently eligible to participate in the Plan. In addition, securityholders must have been on TSI Fund's security registry at 31 December 2008, the record date for the 2009 interim distribution, to participate in the Plan for that distribution.

Why is it only available to Australian and New Zealand residents?

TSI Fund does not currently intend to extend the Plan to securityholders outside of Australia and New Zealand at this time, given the potential complexity and additional costs involved.

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

Yes, you can indicate on the Election Form the specified number or percentage of your securities you nominate to participate in the Plan. Your entitlement to cash distribution payments in respect of securities not participating in the Plan will be paid in the normal way. If you return an Election Form and do not specify partial participation then you will be deemed to have elected full participation.

At what price will securities be issued under the Plan?

Securities will be issued at the Average Market Price, which is the arithmetic average of the daily volume weighted average sale price per security of securities sold on the ASX during the 10 trading day period that commences on 13 March 2009, minus a discount of five per cent, and rounded to the nearest cent. TSI Fund has the discretion to adjust the issue price if it considers that the Average Market Price does not represent the fair market value of securities.

Is there a discount?

Yes, securities will be issued at a five per cent discount to the Average Market Price (referred to above) in relation to the interim distribution for the year ending 30 June 2009. The Board of TSI Fund has the discretion to change or remove the discount for future distributions, and if this occurs an announcement will be made to the ASX.

When will my securities be issued?

Securities will be issued within 10 business days after the payment date for a distribution.

How many securities will I receive?

The number of securities allotted will be the amount of the cash distribution payable on your participating Plan securities, divided by the issue price per security, and rounded down to the nearest whole number if a fractional security would be issued.

Example: Say you elect for 1,000 securities to participate, and the distribution is 15 cents per security. The Average Market Price is \$1.10 per security

The distribution you would have received on these securities is: $1,000 \times 15 \text{ cents} = \150.00

The issue price is: $\$1.10 \text{ minus } 5.0\% = \$1.04 \text{ per security}$

The number of new securities to be issued is: $\$150.00 / \$1.04 = \mathbf{144 \text{ securities}}$ (rounded down)

Because of rounding, only \$149.76 of the \$150.00 distribution was used to acquire new securities. The residual balance of \$0.24 will be carried forward to the next distribution period.

(Note: these figures are hypothetical and do not represent actual distributions and prices).

If any withholding tax is payable in respect of the distribution or if there is any other amount TSI Fund must retain or withhold (e.g. if you have not provided a Tax File Number), these amounts will be deducted from the distribution before making the calculation.

What happens if the number of securities to be issued is rounded down?

Where there is a residual balance following the calculation of the number of securities to be issued under the Plan, the residual balance will be carried forward and added to your next distribution for reinvestment in further securities under the Plan (no interest will be payable on the residual balance). This is illustrated in the above example.

However, if you sell your securities that are participating in the Plan or terminate your participation in the Plan, or the Plan is suspended or terminated by the Board of TSI Fund, then the amount of any residual balance held on your behalf will become the property of TSI Fund, and TSI Fund will pay it to a charity of its choice.

Can I sell my securities when I choose?

Securities participating in the Plan or acquired under the Plan may be sold at any time.

If you elect partial participation in the Plan with a fixed number of securities participating, the securities sold will be deducted first from your holding of securities which are not securities participating in the Plan and then from securities that are participating in the Plan.

What happens if I acquire more securities?

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

If you have elected partial participation in the Plan with a specified percentage of securities participating, then that same percentage of any additional securities you acquire (including under the Plan) will also become participating securities in the Plan.

What do I have to do to participate?

Complete the enclosed Election Form and return it by mail to:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia

A reply-paid envelope to Computershare has been provided.

Or fax the completed election form to +61 3 9473 2500.

You can also complete your election online via www.investorcentre.com/drp by entering your SRN or HIN and entering the relevant information.

Joint holders: If your securities are held in joint names, all joint holders have to sign the Election Form.

Multiple holdings: If you hold securities in multiple holdings or accounts, you will need to complete an Election Form, or complete an online election, for each holding.

When will my participation begin?

Subject to your eligibility, your participation will begin with the first distribution payment after receipt of your Election Form, provided the form is received by the security registry before the relevant record date for that distribution (except in the case of the interim distribution for the year ending 30 June 2009 – see below). Regardless of when your Election Form is received, you can only participate in the Plan for a particular distribution if securities are registered in your name on the record date for the distribution.

If you want to participate in the Plan for your interim distribution in respect of the year ending 30 June 2009 and you were a registered holder of securities on TSI Fund's record date of 31 December 2008 for that distribution, your form must be received by Computershare no later than **30 January 2009**.

Can I terminate or change my participation?

Yes you can terminate or change your participation at any time. Simply complete and return a new Election Form which is available from Computershare. The change will be effective from the next distribution after it is received, provided the form is received by the security registry before the relevant record date for that distribution.

How does the Plan affect my tax position?

Under current Australian income tax legislation, it is TSI Fund's understanding that distributions reinvested under the Plan will be treated in the same manner as if the investor had received those distributions in cash.

Please note that neither TSI Fund nor Computershare is in a position to answer enquiries concerning the financial or taxation implications for securityholders. We recommend that you seek independent professional advice concerning your taxation position.

TSI Fund does not accept any responsibility for any interpretation of, or application by, securityholders 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.

Can the Plan be amended?

The Plan may be amended, suspended, recommenced or terminated by the Board of TSI Fund at any time after giving notice to the ASX.

How can I get more information?

The Plan Rules are available at www.tsinfrastructurefund.com, or if you have any questions please contact:

- Computershare - Ph: 1300 855 080 (Within Australia) or +61 3 9415 4000 (Outside Australia), Fax: to +61 3 9473 2500, Web: www.computershare.com.au
- TSI Fund - Charles Mott, Investor Relations, Ph: +61 2 9464 1000



Transfield Services Infrastructure Limited (ABN 31 106 617 332)
 TSI International Limited (ABN 68 124 582 547)
 Infrastructure Fund Management Limited (ABN 70 118 203 731; AFS Licence No. 310497)
 As the Responsible Entity of
 Transfield Services Infrastructure Trust (ARSN 125 010 531)



All correspondence to:
 Computershare Investor Services Pty Limited
 GPO Box 2975 Melbourne
 Victoria 3001 Australia
 Enquiries (within Australia) 1300 855 080
 (outside Australia) 61 3 9415 4000
 Facsimile 61 3 9473 2500
 web.queries@computershare.com.au
 www.computershare.com

Holder Identification Number (HIN)

Distribution Reinvestment Plan - Election/Variation Form

Use a **black pen**.
 Print in **CAPITAL** letters
 inside the grey areas.

A	B	C
---	---	---

1	2	3
---	---	---

Where a choice is required,
 mark the box with an 'X'

X

A Distribution Reinvestment Plan (DRP)

X

ALL

Please mark this box with an 'X' if you wish all of your securities to participate in the public entity's DRP.

OR

X

PART

Show the number of securities you wish to participate in the DRP.

--	--	--	--	--	--	--	--	--	--	--

OR

Specify the percentage of securities you wish to participate in the DRP

		%
--	--	---

OR

X

TERMINATION

I / We no longer wish to participate in the DRP.

Mark the box with an 'X' only if you already participate in the DRP and wish to cancel your participation.

B Sign Here - This section must be signed for your instructions to be executed.

I / We authorise you to act in accordance with my / our instructions set out above. I / We acknowledge that these instructions supersede and have priority over all previous instructions in respect to my / our securities. Where I / we have indicated participation in the Distribution Reinvestment Plan, I / we hereby agree to be bound by Transfield Services Infrastructure Fund, Distribution Reinvestment Plan Rules as amended from time to time.

Individual or Securityholder 1

--

Director

Securityholder 2

--

Director/Company Secretary

Securityholder 3

--

Sole Director and Sole Company Secretary

Date - Day

Month

Year

		/			/					
--	--	---	--	--	---	--	--	--	--	--

Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

TSIDI

How to complete this form

A Distribution Reinvestment Plan (DRP)

Complete this section if you wish to have your cash distributions reinvested in the form of more securities.

If you wish to reinvest part of your securities in the public entity's DRP, please show the amount in figures OR the percentage of your securityholding that you wish to participate.

Please note that an election to participate fully in the DRP will override any instruction on the registry record regarding direct payment of cash distributions into a nominated account.

This instruction only applies to the specific holding identified by the SRN/HIN and the name appearing on the front of this form.

B Signature(s)

If you have chosen to have your cash distributions fully or partially reinvested into securities and you have completed Section A, you must sign this form as follows in the spaces provided:-

Joint Holding: where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

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Please return the completed form in the envelope provided or to the address opposite:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia



Distribution Reinvestment Plan Rules

Transfield Services Infrastructure Fund

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1. Background

- 1.1 The purpose of this Plan is to provide holders of Stapled Securities with the opportunity to reinvest all or part of their Distributions and to acquire additional Stapled Securities while Transfield Services Infrastructure Fund (TSI Fund) is listed on ASX.
-

2. Definitions and Interpretation

Definitions

- 2.1 In these Rules, the following terms will have these meanings, unless the contrary intention appears:

Allocation means the issue of new Stapled Securities to Participants under the Plan or transfer of Stapled Securities to Participants under the Plan, as the case may be.

Application means the application to participate, vary participation or terminate participation in the Plan in respect of a particular Stapled Security holding account, in the form that the Board approves from time to time.

ASX means ASX Limited (ACN 008 624 691) or the securities market which it operates, as the context requires.

ASX Market Rules means the operating rules of the financial market administered by the ASX, as enforced from time to time.

Average Market Price during a period means:

- (a) (subject to the following paragraphs) the average of the daily volume weighted average price per Stapled Security for Stapled Securities traded on each Trading Date of that period, rounded to the nearest cent; and
- (b) excluding from (a) any transaction defined in the ASX Market Rules as a "special crossing", any transaction defined in the ASX Market Rules as a "crossing" that occurs prior to the commencement of normal trading or during the closing phase and the after hours adjust phase, any transaction pursuant to the exercise of options over Stapled Securities, and any other trades which the Board considers is not reflective of natural supply and demand; or
- (c) a price calculated in accordance with clause 22.3(d) of the Constitution of Transfield Services Infrastructure Trust if the discretion in that clause is exercised by the Board,

or (subject to clause 12.2) a price calculated under a different method determined by the Board in its discretion.

Board means the Board of Directors of TSI Fund while the same people are directors of Transfield Services Infrastructure Limited, TSI International Limited and the Responsible Entity, or if there are differences between those boards then the persons who have authority from those entities to administer the Plan.

Constitutions means the constitutions of the entities comprising TSI Fund.

Discount means the percentage discount (if any) determined by the Board from time to time to be applied in calculating the price at which the Stapled Securities will be issued in accordance with Rule 7.3.

Distribution means any distribution announced and payable by TSI Fund.

Distribution Payment Date means the date on which TSI Fund pays a distribution in respect of the Stapled Securities.

Eligible Holder means a person registered as the holder of at least the minimum number of Stapled Securities as specified by the Board (if any) from time to time other than a person with a registered address in any place where, in the opinion of the Board, participation or the making of an offer or invitation to participate in the Plan would require issue of a prospectus under foreign law, or other regulatory compliance or investigations regarding compliance, which the Board determines to be excessive or impracticable.

Ex Distribution Date means the first day on which Stapled Securities trade on ASX without an entitlement to the relevant Distribution.

Participant means an Eligible Holder whose Application in respect of a particular Stapled Security holding account has been accepted for the purposes of the Plan.

Plan means TSI Fund's distribution reinvestment plan, the terms of which are set out in these Rules, as varied from time to time.

Plan Securities means the Stapled Securities in a particular Stapled Security holding account which are designated by a Participant as Stapled Securities for which the distribution is to be applied in subscribing for Stapled Securities under the Plan.

Pricing Period means the period of Trading Days as the Board determines in its discretion from time to time.

Record Date means the date that TSI Fund determines entitlements for Distributions.

Responsible Entity means the responsible entity of Transfield Services Infrastructure Trust from time to time acting in that capacity, currently Infrastructure Fund Management Limited (ACN 118 203 731).

Rules means these rules of the Plan as varied from time to time.

Stapled Securities means fully paid ordinary Stapled Securities in the capital of TSI Fund and includes any Stapled Securities held under any of TSI Fund's employee Stapled Security schemes by whatever name called. The Constitutions and the Stapling Deed provide that a unit of Transfield Services Infrastructure Trust is stapled to one share in Transfield Services Infrastructure Limited and one share in TSI International Limited such that the components of Stapled Securities are attached and treated as one security.

Stapling Deed means the deed of that name dated 27 April 2007 between the Responsible Entity, Transfield Services Infrastructure Limited, and TSI International Limited and sets out the terms and conditions governing the relationship between them in respect of the Stapled Securities.

Trading Day means a day on which Stapled Securities are quoted, and not suspended from quotation or made subject to a trading halt on ASX..

TSI Fund means the three entities forming the stapled group of:

- (d) Transfield Services Infrastructure Limited (ACN 106 617 332)
- (e) TSI International Limited (ACN 124 582 547), and
- (f) Transfield Services Infrastructure Trust (ARSN 125 010 531),

collectively referred to as Transfield Services Infrastructure Fund or TSI Fund.

Interpretation

2.2 In these Rules, unless a contrary intention appears:

- (a) the singular includes the plural and vice versa and a reference to a gender includes other genders
- (b) a reference to a person includes a corporation, firm or body of persons recognised by law and that person's successors, assignors, legal personal representatives, and (in the case of the Responsible Entity) replacements
- (c) a reference to a document includes amendments and replacements of it, and
- (d) other grammatical forms of defined terms or phrases have corresponding meanings.

3. Commencement

3.1 The Plan and these Rules commence operation on the date determined by the Board.

4. Eligibility and Applications

- 4.1 Any Eligible Holder may apply to participate in the Plan.
- 4.2 Participation in the Plan is optional and is not transferable.
- 4.3 Every Eligible Holder who wishes to participate in the Plan must lodge an Application with TSI Fund. An Eligible Holder's Participation may be varied or terminated at any time in accordance with Rule 10.

Electronic Applications

- 4.4 Applications, variations and terminations may be lodged electronically by any means established by TSI Fund for this purpose. References in these Rules to 'signing' an Application or other document include a valid lodgement by electronic means whether or not physically signed.

Joint holders

- 4.5 If Stapled Securities are jointly held by two or more Eligible Holders, all joint holders of such Stapled Securities must sign a single Application for it to be valid. If one or more of the joint holders of the Stapled Securities is not an Eligible Holder, none of the joint holders can apply to participate in the Plan with respect to the Stapled Securities jointly held.

Multiple holdings

- 4.6 If an Eligible Holder has more than one holding of Stapled Securities, an Application may be lodged for each Stapled Security holding account, and each Stapled Security holding account of an Eligible Holder will be treated separately for the purposes of the Plan.

Board discretions

- 4.7 The Board may refuse, suspend or terminate participation in the Plan where an Eligible Holder has, in the opinion of the Board, split or manipulated a Stapled Security holding or acquired Stapled Securities as part of such a transaction in order to increase the number of Stapled Securities that may be obtained under the Plan.
- 4.8 The Board may refuse, suspend or terminate participation in the Plan for an Eligible Holder or for Plan Securities where the Board considers that the participation has or could lead to:
 - (a) foreign persons or associates of foreign persons acquiring a substantial interest or an aggregate substantial interest in TSI Fund for the purposes of the Foreign Acquisitions and Takeovers Act 1975 (Cth), or
 - (b) a person acquiring a relevant interest in issued voting Stapled Securities that would result in that person's or someone else's voting power contravening Chapter 6 of the Corporations Act.
- 4.9 The Board is entitled to make a final determination as to whether any particular Stapled Security holder is an Eligible Holder within the terms of these Rules or not, and to change any such determination, as and when it sees fit. In making this determination, the Board may consider, among other things, whether such participation would or may be impracticable, impossible or illegal and any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.

5. Acceptance of Applications

- 5.1 The Board may in its absolute discretion accept or refuse any Application.
- 5.2 The Board may determine in its discretion that, in order to be effective in relation to a particular date, an Application must be received on a date chosen by the Board. That date may be on, before or after the Record Date for a Distribution but must be before its payment date.
- 5.3 TSI Fund will record for each Participant particulars of:
- (a) the name and address of the Participant, and
 - (b) the number of Plan Securities held by the Participant from time to time,
- and TSI Fund's records will be conclusive evidence of the matters so recorded.
-

6. Degree of participation

Eligible Holder's election

- 6.1 An Eligible Holder may elect the degree to which they wish to participate in the Plan. Participation may be:
- (a) full participation for all of the Participant's Stapled Securities from time to time, including Stapled Securities allocated under the Plan, or
 - (b) partial participation for a specified number or percentage of Stapled Securities held by the Participant from time to time as specified in the Application.
- 6.2 If no election is specified, an Application will be deemed to be an application for full participation in the Plan for all of the applicant's Stapled Securities.

Effect of changes in Stapled Security holding

- 6.3 Where a Participant has elected (or is deemed to have elected) full participation, all Stapled Securities held by the Participant from time to time (including those subsequently acquired under the Plan or otherwise) will be participating Plan Securities.
- 6.4 Where a Participant has elected partial participation:
- (a) For a specified number of Stapled Securities – any Stapled Securities held by the Participant over and above that number (including those acquired under the Plan) will not be participating Plan Securities. If, at any time, the Participant holds less than the specified number of Stapled Securities then all of its Stapled Securities at that time will be Plan Securities, or
 - (b) For a specified percentage of Stapled Securities – that same percentage of all Stapled Securities held by the Participant from time to time (including those subsequently acquired under the Plan or otherwise) will be participating Plan Securities. Fractions of a Plan Stapled Security will be rounded down.

Board may impose limits

- 6.5 The Board may determine a maximum or minimum number of Stapled Securities or subscription amount in relation to which any Participant may participate in the Plan. Any such determination is a variation to the Plan that must be notified under Rule 11.1. In the absence of such a determination there is no limit on participation.

7. Reinvestment of distributions

- 7.1 Distributions on Plan Securities will be applied by the Board on the Participant's behalf in subscribing for or acquiring Stapled Securities. Any amount that TSI Fund is owed or is entitled to withhold or retain in relation to the Distribution or the Plan Securities whether under the Constitutions or otherwise will not be available for subscribing for this purpose.
- 7.2 The number of Stapled Securities issued to each Participant will be:

$$N = \frac{D + R}{P}$$

where:

- N is the number of Stapled Securities issued, subject to Rule 7.6
- D is the pooled Distribution payable on the Participant's Plan Securities as at the Record Date for that Distribution, subject to Rule 7.1
- R is the residual balance (if any) from a previous Distribution on the Participant's Plan Securities
- P is the Price at which Stapled Securities are issued as determined in accordance with Rule 7.3.

Issue price

- 7.3 The price at which Stapled Securities are issued will be the Average Market Price for the Pricing Period less the Discount (if any) as the Board determines from time to time rounded to the nearest cent.
- 7.4 The Issue Price calculated in accordance with Rule 7.3 will be allocated by agreement between the Board amongst the issue price for each share and unit comprising a Stapled Security, and the Board must do so in accordance with the Constitutions and the Stapling Deed.

Stapling provisions

- 7.5 Notwithstanding any other provision of this Plan, no units or shares may be issued or transferred under this Plan by TSI Fund entities unless:
- (a) the number of shares in Transfield Services Infrastructure Limited, shares in TSI International Limited, and units in Transfield Services Infrastructure Trust which are issued or transferred to a Participant is identical, and
 - (b) each such share and unit is stapled to each other to form a Stapled Security.

Fractions

- 7.6 Where a fraction of a Stapled Security results from the application of the formula in Rule 7.2, that fraction will be rounded down to the nearest whole number and the remaining Distribution not applied will be carried forward as a residual balance on the Participant's Plan Securities. No interest will be payable on the residual balance.

Plan statements

- 7.7 TSI Fund will send to each Participant a combined distribution statement and holding statement following the Allocation of Stapled Securities under the Plan setting out the following information:
- (a) the Distribution payable in respect of that Participant's Plan Securities which has been applied towards acquisition of Stapled Securities
 - (b) customary information regarding franking and imputation credits (if any) attached to the Distribution
 - (c) the number of additional Stapled Securities allocated to that Participant under the Plan
 - (d) the price at which the Stapled Securities were issued or acquired, and
 - (e) the number of Stapled Securities (including Plan Securities) of which that Participant is the registered holder after the Allocation.

8. Stapled Securities Allocated under the Plan

Issue or transfer

- 8.1 In the operation of the Plan for any Distribution, TSI Fund may, in the Board's absolute discretion, either issue new Stapled Securities or cause existing Stapled Securities to be acquired for transfer to Participants, or a combination of both alternatives, to satisfy TSI Fund's obligations under these Rules.
- 8.2 Stapled Securities to be Allocated under the Plan will be Allocated at or as soon as practicable after the Distribution Payment Date.

Rights attaching to Stapled Securities

- 8.3 Subject to Rule 8.1, all Stapled Securities allocated under the Plan will from the date of the Allocation rank equally in all respects with existing Stapled Securities.
- 8.4 If the Stapled Securities are listed on ASX, TSI Fund will promptly make an application at or after the Allocation of newly issued Stapled Securities under the Plan for the quotation of those Stapled Securities on the ASX.

9. Underwriting

- 9.1 TSI Fund may cause an issue of Stapled Securities under the Plan to be underwritten, wholly or partially, in respect of any one or more Distributions on terms and conditions (including as to fees and issue price) determined by the Board in its absolute discretion.

10. Variation or termination of participation

By Participants

- 10.1 A Participant may increase or decrease the number of its Plan Securities, or commence or terminate participation in the Plan, by lodging an Application or other notice in the form required by TSI Fund. To be effective for a forthcoming Distribution, an Application, variation notice or termination notice must be received by TSI Fund no later than the date set out in Rule 5.2.

By sale of Plan Securities

- 10.2 If a Participant disposes of all its Plan Securities, it will be deemed to have terminated participation in the Plan. If the same person becomes an Eligible Holder again after that termination it will have to re-apply under Rule 4 in order to participate in the Plan.
- 10.3 If a Participant disposes of part but not all of its holding of Stapled Securities, its number of Plan Securities and level of participation may be automatically varied in accordance with Rules 6.3 and 6.4.

Death, bankruptcy, etc

- 10.4 If a Participant dies, participation in the Plan terminates upon receipt by TSI Fund of written notice of the death. If a Participant is declared bankrupt or is wound-up, participation in the Plan terminates upon receipt by the TSI Fund of a notification of bankruptcy or winding-up from the Participant or the Participant's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding-up of one or more joint holders does not automatically terminate participation provided the remaining holder or all remaining joint holders are Eligible Holders.

Residual balances on termination

- 10.5 If a Participant terminates (or is deemed to have terminated) its participation in the Plan, the amount of any residual balance held on the Participant's behalf by the TSI Fund will become the property of TSI Fund. TSI Fund may accumulate these residual balances until such time as it considers it appropriate, in its discretion, to pay them to a charity chosen by the Board or otherwise apply the proceeds as determined by the Board.
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11. Variation, suspension and termination of the Plan

Board powers

- 11.1 The Plan may be varied, suspended, recommenced or terminated by the Board at any time after giving notice to the ASX, with effect on the date specified by the Board.
- 11.2 The variation, suspension, recommencement or termination does not give rise to any liability on the part of, or right of action against, the Board or the entities in the TSI Fund or any of their officers, employees or agents.
- 11.3 The accidental omission to give notice of variation, suspension, recommencement or termination will not invalidate it.

Effect on Participants

- 11.4 If the Plan or these Rules are varied, a Participant continues to participate under the Plan and these Rules in their varied form unless the Participant terminates its participation in the Plan in accordance with these Rules.
- 11.5 If the Plan is suspended and is later recommenced, then upon recommencement all prior elections are reinstated subject to any variation or termination validly given by a Participant prior to the next Record Date after the recommencement of the Plan.

Residual balances

- 11.6 If the Plan is suspended or terminated, the amount of any residual balance held on a Participant's behalf by TSI Fund will become the property of TSI Fund unless the Board determines otherwise. TSI Fund may accumulate these residual balances until such time as it considers it appropriate to pay them to a charity chosen by the Board.
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12. Administration of the Plan

- 12.1 This Plan will be administered by the Board which has the power to:
- (a) determine procedures for administration of the Plan consistent with the Rules
 - (b) settle in such manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Participant or any Stapled Securities, and the determination of the Board is conclusive and binding on all Participants and other persons to whom the determination relates, and
 - (c) delegate to any one or more persons, including its Stapled Security registry, for such period and on such conditions as it may determine, the exercise of any of their powers or discretions arising under the Plan.
- 12.2 In exercising its discretions under these Rules, the Board must comply with the Stapling Deed and the Constitutions.

13. Plan Rules are binding on Participants

13.1 Participants are bound by the Rules of the Plan as modified from time to time.

14. Costs to Participants

14.1 To the extent permitted by law, TSI Fund will pay brokerage, commission or other transaction costs in respect of Stapled Securities allotted under the Plan including any stamp or other duties payable by the Participant in respect of the Stapled Securities Allocated under the Plan.

15. Notices

15.1 A notice under these Rules is validly given if handed to the addressee or posted by ordinary post and addressed to the addressee at its last known residential or registered address, or sent by facsimile or e-mail to a number or address notified by the addressee, or otherwise sent in accordance with the Constitutions.

16. Governing law

16.1 The Plan and contracts arising under the Plan are governed by the laws of New South Wales and each Participant submits to the non-exclusive jurisdiction of the Courts of New South Wales.