

Date: 31 March 2008

The Chairman
Independent Oversight Group (IOG)
C/- IOG Support Office
PO Box 570
Wellington

The Telecommunications Commissioner
C/- Commerce Commission
PO Box 2351
Wellington 6140

NOTIFICATION OF MATERIAL CHANGE IN THE SCOPE OF THE CHORUS BUSINESS

Clause 13.2 of the Telecom Separation Undertakings given by Telecom Corporation of New Zealand Limited under Part 2A of the Telecommunications Act 2001 (the *Undertakings*) provides that the Board or the CEO may change the scope of the Chorus business from time to time provided that:

- (a) the scope of business is not reduced from that provided in clause 13.1;
- (b) the Board or the CEO gives written notice of any material change to the IOG and the Commission; and
- (c) the change is consistent with the robust operational separation of Telecom.

Notification

In accordance with clause 13.2(a) of the Undertakings, the CEO advises that the scope of the Chorus business has materially changed from that set out in Clause 13.1 of the Undertakings as set out below:

Chorus' scope of business will also include the field services activities of on-site installation, services, and maintenance of telecommunications plant and equipment, network design and build, and also physical network planning. These activities for non-Chorus assets such as DSLAMs, switches, routers, mobile sites, and customer premises equipment, will be commercial products offered to Chorus' customers, including other parts of Telecom.



Telecom Corporation of New Zealand Limited
Level 8, North Tower
Telecom House, 68-86 Jervois Quay
Wellington, New Zealand

Signed:

A handwritten signature in blue ink, appearing to read "Paul Reynolds", written over a thin horizontal line.

Paul Reynolds

CEO, Telecom Corporation of New Zealand Limited