



28 August 2020

The Manager

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**ELECTRONIC LODGEMENT**

Dear Sir or Madam

**Telstra Corporation Limited – 2020 Notice of Annual General Meeting**

In accordance with the Listing Rules, I attach a copy of Telstra's 2020 Notice of Annual General Meeting for release to the market.

Telstra shareholders are reminded that the meeting is being held virtually this year and they should visit [telstra.com/agm](https://telstra.com/agm) for all important information about our virtual AGM, including the Notice of Meeting.

Authorised for lodgement by:

**Sue Laver**  
Company Secretary

Telstra Corporation Limited

# Notice of 2020 Annual General Meeting

## **Tuesday 13 October 2020**

The Annual General Meeting of Telstra Corporation Limited will be held virtually on Tuesday 13 October 2020 at 9.30am (AEDT) using the online platform provided by our share registry, Link Market Services, **[agmlive.link/telstra2020](https://agmlive.link/telstra2020)**

Telstra shareholders should visit **[telstra.com/agm](https://telstra.com/agm)** for all the important information about our virtual AGM.



Dear Shareholder

2020 has been an extraordinary year for us all. The COVID-19 pandemic has had a profound impact on all our lives and required us to quickly adapt to new ways of doing things in order to keep ourselves safe. With the current restrictions on indoor gatherings and travel imposed by governments, our 2020 Annual General Meeting (AGM) will be held online (virtually) rather than at a physical location. In addition, this year our Notice of Meeting is only being made available online which is consistent with the relief provided by the Commonwealth Treasurer in response to the COVID-19 pandemic.

The 2020 virtual AGM of Telstra Corporation Limited will commence at **9.30am (AEDT) on Tuesday 13 October 2020** at **[agmlive.link/telstra2020](https://agmlive.link/telstra2020)**. Registration will open online from 8.30am (AEDT).

**On behalf of the Board, I invite you to attend our virtual 2020 AGM.** Our virtual meeting will provide you with the opportunity to join regardless of your location. You will be able to view presentations from me and from Andrew Penn, Chief Executive Officer as well as vote and ask questions during the meeting. Please ensure you have your Shareholder number and the postcode for your shareholding available when you log in to attend the virtual meeting as you won't be able to vote and ask a question without them. For details on how to find your Shareholder number, please refer to page 15.

**The Notice of Meeting together with the Telstra Virtual AGM User Guide available at [telstra.com/agm](https://telstra.com/agm) provides all the important information you need to know about attending our AGM.**

**The items of business at the AGM** are outlined on page 3. The items of business should be read together with the explanatory notes located on pages 7 to 14.

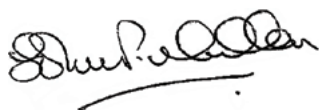
The Board continues to focus on ongoing renewal and putting in place the right balance of experience, expertise and fresh thinking. We have recruited some very talented telecommunications professionals in recent times, and Elana Rubin's and Bridget Loudon's appointments in February and August 2020 respectively have added to the wealth of experience we have on the Board. Elana and Bridget will both stand for election at the AGM this year. Peter Hearl and I will also stand for re-election. See page 7 of the explanatory notes for details on your directors for election and re-election.

**We welcome your questions.** If you are attending our virtual meeting, you can submit a question via the online platform during the meeting. Questions can also be submitted online in advance of the meeting. Please refer to page 6 for details on how to do this. Andy and I will endeavour to address the most frequently asked questions during our AGM presentations. Customer related questions received ahead of the AGM will be responded to as soon as possible from the date of receipt. If a customer related question is submitted during the meeting using the online platform, staff will be available to respond to the enquiry online and it will be addressed outside of the AGM.

We have included some important information about your company within the Notice of Meeting. This includes a snapshot of our 2020 financial performance, our 2020 highlights and the importance of connection: responding to the bushfire and COVID-19 crises.

On behalf of my fellow Directors, I thank you for your loyalty as a shareholder and look forward to welcoming you to our first virtual AGM.

Yours sincerely



John P Mullen  
Chairman  
28 August 2020

# Telstra Notice of Meeting 2020

## Items of Business

### 1. Chairman and CEO Presentations

### 2. Discussion of Financial Statements and Reports

To discuss the company's financial statements and reports for the year ended 30 June 2020.

### 3. Election and Re-election of Directors

To consider and, if thought fit, pass the following resolutions as separate ordinary resolutions:

- a) 'That Peter Hearl, being eligible, be re-elected as a director';
- b) 'That Bridget Loudon, being eligible, be elected as a director'
- c) 'That John Mullen, being eligible, be re-elected as a director'; and
- d) 'That Elana Rubin, being eligible, be elected as a director'.

### 4. New Constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

'That approval be given to repeal Telstra's existing constitution and adopt a new constitution in the form tabled at the meeting and signed by the Chairman for identification, with effect from the close of the meeting'.

### 5. Allocation of Equity to the CEO

To consider and, if thought fit, pass the following resolutions as separate ordinary resolutions:

- a) Grant of Restricted Shares to the CEO

'That approval be given for all purposes, for the grant to the Chief Executive Officer and Managing Director, Mr Andrew Penn, of 394,786 Restricted Shares under the Telstra FY20 Executive Variable Remuneration Plan (EVP)'.

- b) Grant of Performance Rights to the CEO

'That approval be given for all purposes, for the grant to the Chief Executive Officer and Managing Director, Mr Andrew Penn, of 451,184 Performance Rights under the Telstra FY20 EVP'.

### 6. Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That the Remuneration Report for the year ended 30 June 2020 be adopted.'

Under the Corporations Act, the vote on this resolution is advisory only and will not bind Telstra or the Directors.

The items of business should be read in conjunction with the explanatory notes on pages 7 to 14. The explanatory notes form part of this Notice of Meeting.

# Important information for Shareholders

In addition to this Notice of Meeting, Telstra Shareholders should visit [telstra.com/agm](https://telstra.com/agm) for all the important information about our virtual AGM including the Telstra Virtual AGM User Guide. For details on how to find your Shareholder number, please refer to page 15.

**Am I eligible to vote at the AGM?**

You are eligible to vote at the meeting if you are registered as a holder of Shares as outlined below:

Investor	Right to vote
Shareholders	Shareholders registered as at 9:30am (AEDT) on Sunday 11 October 2020
Telstra ESOP 99 participants	Telstra ESOP 99 Participants registered at 5:00pm (AEDT) on Thursday 8 October 2020
Participants of other eligible Employee Share Plans	Participants registered at 5:00pm (AEDT) on Thursday 8 October 2020



## How can I vote?

If you are entitled to vote at the meeting you can exercise your vote in the following ways.

Option	Details	Instructions
Lodge your vote before the meeting (Shareholders)	You can lodge your vote directly before the meeting online.	<p>You can lodge your vote directly at <b>vote.linkmarketservices.com/tls</b></p> <p>To lodge your vote via this website you will need to follow the instructions on the website and submit your vote by <b>9.30am (AEDT) on Sunday, 11 October 2020</b>.</p> <p>To log in you will need your Shareholder number and the postcode for your shareholding.</p>
<p>Appoint a <b>Proxy</b> before the meeting (Shareholders)</p> <p>OR</p> <p>Appoint a <b>Nominee</b> before the meeting (ESOP 99 and eligible Employee Share Plan Participants)</p>	<p>You can appoint a proxy/nominee to attend the virtual meeting and vote at the meeting on your behalf and you can do this online before the meeting.</p> <p>Your proxy/nominee may be an individual or a body corporate and does not need to be a Shareholder.</p> <p>You cannot appoint more than two proxies/nominees. If you do appoint two proxies/nominees to attend virtually and vote for you, you must specify the proportion or number of votes that each of your two proxies/nominees can exercise. If you do not do that, each proxy/nominee may exercise half of your votes. If you have specified how your proxy/nominee is to vote on an item of business, your proxy/nominee must vote the way you have specified. Your proxy/nominee can only vote on the items of business that you are entitled to vote on.</p> <p>If you have specified how your proxy/nominee is to vote on an item of business, but your proxy/nominee does not attend the meeting – or does not vote on that item – then the Chairman of the meeting will vote as you have directed (in accordance with the voting intentions outlined below).</p> <p>If you wish to appoint a proxy/nominee, please do so online.</p>	<p>You can appoint a proxy/nominee online at <b>vote.linkmarketservices.com/tls</b></p> <p>To log in to the website, you will need your Shareholder number and the postcode for your shareholding.</p> <p>To appoint your <b>proxy</b> via this website you will need to follow the instructions on the website and submit the appointment by <b>9.30am (AEDT) on Sunday, 11 October 2020</b>.</p> <p>To appoint your <b>nominee</b> via this website you will need to follow the instructions on the website and submit the appointment by <b>5.00pm (AEDT) on Thursday, 8 October 2020</b>.</p>
Vote online during the meeting (Shareholders, ESOP 99 and eligible Employee Share Plan Participants)	<p>If you attend the virtual meeting by logging into the online platform <b>agmlive.link/telstra2020</b>, you will be able to vote online during the meeting.</p> <p>Voting on items 3, 4, 5a, 5b and 6 will be by poll. <b>The Chairman of the meeting will open the poll shortly after the meeting commences at 9.30am (AEDT) on Tuesday 13 October 2020</b> and you will be able to vote at any time during the meeting and for a short time afterwards (you will be notified on the platform how much time is left).</p> <p>If you have lodged a direct vote before the meeting and then vote online during the meeting, your direct vote lodged before the meeting will be cancelled.</p>	<p><b>Registration will open from 8.30am (AEDT) on Tuesday 13 October 2020.</b></p> <p>When you log into the online platform <b>agmlive.link/telstra2020</b>, you will be required to register as a Shareholder or proxy holder and will be able to vote your shares or the shares you represent as proxy. If you are a Shareholder, you will need to provide your Shareholder number and the postcode for your shareholding to register to vote once you have logged in.</p> <p>A proxy who is attending the virtual meeting will need a <b>proxy number</b>, issued by Telstra's share registry, Link Market Services, to register to vote once logged in. Link will endeavour to provide confirmation of the proxy number to nominated proxy holders to the registered email address of the appointing shareholder no later than 24 hours prior to the meeting and following lodgement of the proxy appointment.</p> <p>Alternatively, proxy holders can call the meeting help line on +61 1800 990 363 on the day of the meeting to request confirmation of the proxy code.</p> <p>More information is available in the Telstra Virtual AGM User Guide located on our website at <b>telstra.com/agm</b>.</p>

## What if I hold my Shares jointly?

If you hold your Shares jointly, you and the other holders may attend the virtual meeting. However, if more than one joint holder votes using any of the options outlined above, only the vote of the holder named first in the register will be accepted.

## How can I ask questions?

Shareholders, ESOP 99 and eligible Employee Share Plan Participants can ask or submit questions using one of the options below. Questions should be relevant to the meeting.

Option	Instructions
Before the meeting	<p>You can submit questions before the meeting online at <a href="https://vote.linkmarketservices.com/tls">vote.linkmarketservices.com/tls</a>. To log in you will need your Shareholder number (see page 15) and the postcode for your shareholding. When you have accessed your shareholding online, select the 'Ask Question' option under the 'Action' column.</p> <p>Questions must be received by Telstra's share registry by <b>9.30am (AEDT) on Sunday 11 October 2020</b>.</p>
At the meeting	<p>You will have the opportunity to ask questions during the meeting via the online platform at <a href="https://agmlive.link/telstra2020">agmlive.link/telstra2020</a>.</p> <p>More detailed information on how to ask questions during the meeting is provided in the Telstra Virtual AGM User Guide available online at <a href="https://telstra.com/agm">telstra.com/agm</a>.</p>
Customer related questions received ahead of the AGM will be responded to as soon as possible from the date of receipt. If a customer related question is submitted during the meeting using the online platform, staff will be available to respond to the enquiry online and it will be addressed outside of the AGM.	

## Corporate representatives

A body corporate who is a Shareholder or proxy must appoint an individual as its corporate representative, if it wishes to attend and vote at the virtual meeting. If you are a corporate representative, you will need to provide evidence of your appointment as a corporate representative with Telstra's share registry prior to the meeting or have previously provided the company with evidence of your appointment.

## Powers of attorney

If you appoint an attorney to attend and vote at the virtual meeting on your behalf, the power of attorney (or a certified copy) must be received by Telstra's share registry by 9.30am (AEDT) on Sunday 11 October 2020, unless the power of attorney has previously been lodged with the Telstra's share registry.

## Chairman's voting intentions

The Chairman intends to vote all available proxies in favour of all Resolutions. If you appoint the Chairman of the meeting as your proxy or nominee, or the Chairman of the meeting is taken to be appointed as your proxy or nominee and you have not specified the way to vote on an item of business, the Chairman of the meeting will exercise your votes in favour of the relevant Resolution.

## Chairman as proxy or nominee

You may appoint the Chairman of the meeting as your proxy or nominee.

If you direct the Chairman of the meeting how to vote on an item of business, your vote will be cast in accordance with your

direction. If you do not direct the Chairman of the meeting how to vote on an item of business, or the Chairman of the meeting becomes your proxy/nominee by default, then by submitting a proxy/nominee appointment you will be expressly authorising the Chairman of the meeting to exercise your votes as an undirected proxy or nominee on a resolution even though it may be directly or indirectly connected with the remuneration of a member of the Key Management Personnel (KMP).

## Key Management Personnel (KMP)

Under the Corporations Act, voting restrictions apply to the company's KMP and their closely related parties for items 5a, 5b and 6. The term "closely related party" in relation to a member of KMP includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP. Further voting exclusions also apply to the CEO and any of his associates for items 5a and 5b. Please refer to the explanatory notes for more detail.

If you intend to appoint a member of the KMP (other than the Chairman of the meeting) or one of their closely related parties as your proxy or nominee, please ensure that you direct them how to vote on items 5a, 5b and 6, otherwise they may not be able to cast a vote as your proxy or nominee on this item.

## Voting exclusions

Voting exclusions apply to items 5a, 5b and 6 as set out in this Notice of Meeting. The Chairman of the meeting intends to vote all available proxies in favour of items 5a, 5b and 6.

## 2020 Annual Report

The 2020 Annual Report is available for shareholders on our investor website [telstra.com/annualreport](https://telstra.com/annualreport). If you would like to receive a hard copy of the 2020 Annual Report, at no charge, please contact the Telstra Share Registry on (+61) 1300 88 66 77. Shareholders who have previously elected to receive a hard copy of the 2020 Annual Report will receive it in the mail.

## Contact details

Please lodge your vote electronically at [vote.linkmarketservices.com/tls](https://vote.linkmarketservices.com/tls), unless otherwise arranged by facsimile or by mail to the Telstra Share Registry as outlined below:

Telstra Share Registry (Australia)  
Link Market Services Limited  
Level 12, 680 George Street,  
Sydney NSW 2000 Australia  
Telephone: +61 1300 88 66 77  
Facsimile: +61 2 9287 0309

Telstra Share Registry (New Zealand)  
Link Market Services Limited  
Level 11, Deloitte Centre,  
80 Queen Street,  
Auckland 1010, New Zealand  
Telephone: (within NZ) 0800 835 787  
All Other: +64 (9) 375 5998  
Facsimile: +64 (9) 375 5990

By order of the Board of Directors



**Sue Laver**  
Company Secretary  
28 August 2020

# Notice of Meeting – Explanatory Notes

## Item 2 – Discussion of Financial Statements and Reports

This item of business provides a reasonable opportunity for shareholders to comment on and ask questions on the financial statements and reports and on the business, operations and management of Telstra. There will also be an opportunity to ask questions of the company's auditor.

## Item 3 – Election and Re-election of Directors

The following independent non-executive directors are standing for election or re-election.

Our process for the selection, nomination and appointment of Directors involves a formal selection process undertaken by the Board, and an executive search firm is often engaged to assist in the process. As part of this process, the Board establishes criteria about the general qualifications and experience, as well as the specific qualifications, skills and expertise, that a candidate should possess. We undertake appropriate checks on any potential candidates before a person is appointed by the Board or put forward to shareholders as a candidate for election as a Director.

In respect of the two new non-executive Directors appointed to the Board since 1 July 2019, Ms Rubin was identified as a desirable and qualified candidate by the Board and an executive search firm was engaged to assist in Ms Loudon's appointment process. We undertook appropriate checks before they were appointed by the Board.

Our 2020 Corporate Governance Statement at [telstra.com/governance](https://www.telstra.com/governance) provides further information on our Director appointment, election and re-election process.

### Peter R Hearl

Age 69, B Com (UNSW), MIML ANZ, FAICD, Member – AMA

Non-executive Director since 15 August 2014, last re-elected in October 2017. Chairman of the People and Remuneration Committee and member of the Nomination Committee.

Peter is an experienced company director with substantial international experience as a senior executive in the fast moving consumer goods sector. Peter served in senior executive roles with Yum! Brands Inc from 1997 to 2008, including global Chief Operations and Development Officer for Yum! Brands from 2006 until 2008 and President of Pizza Hut from 2002 to 2006. He previously worked for PepsiCo Inc in Sydney

and London reaching regional vice-president level, as well as in various roles with Exxon in the United States and Australia.

**Other listed company directorships (past three years):** Director, Santos Ltd (from 2016). Former – Director, Treasury Wine Estates (2012–2017).

**Other directorships and appointments:** Chairman-Elect, Endeavour Group Ltd (Woolworths drinks and hotels business proposed for demerger in 2020) (from 2019). Member, UNSW's Australian School of Business Alumni Leaders Group, Trustee of The Stepping Stone Foundation (from 2020) and member of the Stepping Stone Foundation's Investment Committee (from 2018). Previously honorary Chairman of the US-based UNSW Study Abroad-Friends and US Alumni Inc.

### Bridget Loudon

Age 32, BCom (University College Galway) Non-executive Director appointed 14 August 2020. Member of the Nomination Committee.

Bridget is Founder and Chief Executive Officer of Expert360. Expert360 is Australia's number one skilled talent platform, using sophisticated vetting and matching technology to connect more than 1000 companies with more than 30,000 elite consultants, project managers, data analysts and developers. Expert360 has been recognised as a game-changing platform by, among others, Harvard Business Review and the Economist.

Prior to founding Expert360 in 2013, Bridget worked as a management consultant for Bain & Co in Sydney. At Bain, Bridget was part of teams that advised ASX 50 leaders on strategy and transformation across a range of industries such as Retail, Consumer, Mining and Education.

Bridget is a leader in how organisations transform themselves to capture the opportunities presented by developments in technology. She has passion for solving customer problems and an impressive desire to create positive outcomes for society using technology.

**Other directorships and appointments:** Director, Expert 360 Pty Ltd (from 2013) and E360 Holdings Pty Ltd (from 2019).

### John P Mullen

Age 65, BSc

Non-executive Director since July 2008, Chairman effective 27 April 2016 and last re-elected in 2017. Chairman of the Nomination Committee and previously Chairman of the Remuneration Committee (2009–2016).

John has extensive experience in international transportation and logistics, with more than two decades in senior

positions with some of the world's largest transport and infrastructure companies. He has lived or worked in 13 countries over this time. From 2011 to 2017 John was Chief Executive Officer of Asciano, Australia's largest ports and rail operator. Prior to this, John spent 15 years with DHL Express, a US\$20b company employing over 140,000 people in 220 countries, serving as the global Chief Executive Officer from 2005 to 2009.

Prior to DHL, John spent ten years with the TNT Group, with four years from 1991 to 1994 as Chief Executive Officer of TNT Express Worldwide based in the Netherlands.

**Other listed company directorships (past three years):** Chairman, Brambles Limited (Joined 2019, Chair from 2020). Former – Director, Brookfield Infrastructure Partners L.P (2017–2020).

**Other directorships and not-for-profit appointments:** Chairman, Toll Holdings (Private – since 2017). Chair, Australian National Maritime Museum (Joined 2016 and Chair from 2019). Member, UNICEF Task Force on Workplace Gender Discrimination and Harassment (2018–2019). UNSW Business School Advisory Council Member (from 2005). Former – Chairman of the US National Foreign Trade Council in Washington (2008–2010)

### Elana Rubin

Age 62, BA (Hons), MA, FFin, FAICD, FAIM Non-executive Director appointed 14 February 2020. Member of the People and Remuneration Committee and the Nomination Committee.

Elana has more than 20 years Board experience across the financial service sector, including superannuation and funds management as well as the property, infrastructure and government sectors. Her executive career spanned industrial relations, social and economic policy and superannuation.

Elana is adept at working in consumer facing organisations with a strong customer focus and can balance commercial interests with the complex requirements of regulated sectors.

Elana has strong risk management and regulatory experience, having worked in highly regulated sectors including as Chair of AustralianSuper, one of Australia's largest and innovative super funds, and Chair of Victorian WorkCover Authority, a highly regarded regulator and personal injury insurer.

**Other listed company directorships (past three years):** Chair, Afterpay Limited (Joined 2017, Chair from 2020). Director, Slater and Gordon Limited (from 2018). Former – Director, Mirvac Limited (2010–2019).

### Board recommendation

In recommending Mr Mullen's re-election, the Board took into account factors including Mr Mullen's performance, the skills, experience and leadership he provides to the Board and Telstra as we continue to execute on our T22 strategy, the length of time he has served as Chairman (and as a Director) and the importance of continuity on the Board, in particular in light of the changes on the Board in recent times and the current COVID-19 environment. The Board believes that, notwithstanding his period of service on the Board, Mr Mullen has retained his independence of character and judgement and continues to bring invaluable experience and expertise to the Board.

The Board (other than the relevant Directors in relation to his/her own election/re-election) recommends the election of Bridget Loudon and Elana Rubin and the re-election of Peter Hearl and John Mullen. The Chairman of the meeting intends to vote all available proxies in favour of election of Bridget Loudon and Elana Rubin and the re-election of Peter Hearl and John Mullen.

## Item 4 – Adoption of a new Constitution

Telstra's current constitution is in substantially the same form as the constitution that was adopted in 2006, in the same year as the final sell-down of the Federal Government's stake in Telstra, referred to as the 'T3' share offer. Since 2006 shareholders have approved minor amendments to the constitution, at Telstra's AGMs in 2008 and 2010.

Since the current constitution was first adopted, there have been a number of developments in law and the ASX Listing Rules, corporate governance principles, and general corporate and commercial practice for ASX listed entities.

The Board recommends the adoption of a new constitution that reflects current market practice and supports Telstra in the administration of the company and its relationship with its shareholders. The Board considers it most appropriate to adopt a wholly new constitution, rather than amending Telstra's current constitution in a 'piecemeal' way.

Many of the proposed changes are administrative or relatively minor in nature. The key differences between Telstra's current constitution and the new constitution are outlined below.

Copies of Telstra's existing constitution and new constitution are available from the Telstra website at [telstra.com/agm](https://telstra.com/agm).

For item 4 to be passed as a special resolution, at least 75% of the votes cast by shareholders entitled to vote on the resolution must be in favour of the resolution, in accordance with the Corporations Act.

Topic	Detail
<b>General meetings</b>	
<b>Virtual meetings</b>	<ul style="list-style-type: none"> <li>Telstra's current constitution contemplates general meetings being held at a physical location. 'Hybrid' meetings (where some attendees meet in-person and others can participate online using technology) are contemplated only in certain limited circumstances, and 'virtual' meetings (conducted wholly online like the 2020 AGM) are not contemplated. The 2020 AGM is being conducted as a virtual meeting in reliance on a temporary amendment to the Corporations Act granted by the Commonwealth Treasurer due to COVID-19.</li> <li>Telstra's proposed new constitution would provide greater flexibility for Telstra to conduct 'hybrid' and 'virtual' meetings using technology in the future, particularly if the Corporations Act is amended to be more facilitative of such meetings in the future.</li> <li>Amendments are proposed to allow the Directors to approve technology to be used at a general meeting. Consistent with Telstra's current constitution, any technology used at a general meeting must give shareholders as a whole a reasonable opportunity to participate in the meeting.</li> <li>Consequential provisions are included to provide clarity around procedural matters including to ensure that 'online' attendees are treated as being present at the meeting, and are counted for quorum.</li> <li>While Telstra is conducting its 2020 AGM online due to COVID-19, Telstra has no current intention to move permanently to wholly 'virtual' online meetings. However, the Board considers the proposed amendments are in the best interests of shareholders as they provide Telstra with future flexibility to hold 'virtual' meetings if the Board was of the view that circumstances exist where this would be beneficial and in the interests of shareholders. The amended provisions also allow greater flexibility to hold 'hybrid' meetings in the future, which would provide additional opportunities for shareholders to participate in meetings in the manner most convenient to them.</li> </ul>

Topic	Detail
<b>Direct voting</b>	<ul style="list-style-type: none"> <li>Telstra's current constitution permits the Directors to allow direct voting, and to determine the rules surrounding how direct voting is implemented for a particular meeting. These provisions were prepared at a time when direct voting was a relatively new mechanism to facilitate shareholder participation in general meetings. Direct voting has now been a feature of Telstra's AGMs for several years.</li> <li>Amendments are proposed to provide shareholders with additional clarity about the mechanics of the casting of direct votes. Unless the Directors determine otherwise, a direct vote will take precedence over an instrument to appoint a proxy, representative or attorney in respect of the same shares, unless that instrument is received by Telstra later in time. If a shareholder attends a general meeting in-person then the direct vote will be disregarded (similar to the existing rule that an appointed proxy or attorney may not vote if the appointor attends the meeting and votes).</li> </ul>
<b>Conduct of meetings generally</b>	<ul style="list-style-type: none"> <li>The new constitution also includes a number of other changes to assist with the orderly conduct of general meetings.</li> <li>For example, the new constitution expressly sets out certain actions that the Chairman of the meeting may take, including to refuse entry or take security measures in respect of a person using a recording/broadcasting device without consent or refusing to turn off a mobile phone, or a person the Chairman has reasonable grounds to believe may behave in a dangerous, offensive or disruptive way. These are powers that are already vested in the Chairman of a general meeting. The proposed changes articulate those powers to provide greater clarity for all attendees, and update the existing provisions to bring them into line with modern practice and technology.</li> <li>Amendments are also proposed to allow the Chairman to determine not to put a resolution to the meeting, and other procedural powers. This does not extend to shareholder-requisitioned resolutions or resolutions required by law. A shareholder's right to requisition such resolutions is not restricted.</li> </ul>
<b>Voting arrangements for employee share scheme participants</b>	<ul style="list-style-type: none"> <li>As with many Australian listed companies, Telstra operates various employee share plans. As is usual, these shares are held on behalf of employees by a trustee company that is a subsidiary of Telstra.</li> <li>Telstra's current constitution contains provisions which allow certain participants in Telstra's employee share plans to attend shareholder meetings in-person and cast their votes themselves, rather than through the trustee company.</li> <li>No changes are proposed to these arrangements, but the supporting mechanics will be moved from Telstra's constitution into the documents that govern the applicable employee share plans. As is usual, employee share plan participants will continue to be provided with information about how they can participate and vote at shareholder meetings.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Notice provisions relating to general meetings have also been simplified and modernised. Telstra's current constitution repeats some (but not all) of the current legislative requirements for meeting notices: amendments are proposed to ensure consistency with the current requirements.</li> </ul>
<b>Dividends and distributions</b>	
<b>Distribution of specific assets to satisfy dividends, capital returns and other distributions</b>	<ul style="list-style-type: none"> <li>Telstra's current constitution allows dividend payments to be satisfied by a distribution of specific assets, but does not permit a capital return or other distribution to be satisfied in the same way.</li> <li>Amendments are proposed that would allow a dividend, capital return or other distribution to be satisfied wholly or partly by the distribution of specific assets (which could include securities in Telstra, a subsidiary or another entity). These types of distributions are increasingly common among Australian listed companies and the proposed enhancements will provide Telstra with appropriate capital management flexibility to propose and implement in specie dividends and other distributions and reductions of capital in the future.</li> <li>The amendments would also expand the Directors' existing ancillary powers relating to the payment of a dividend in specie, and extend those powers to capital returns and other distributions. This would provide greater certainty around the mechanics of such distributions, and would allow Directors to make a cash payment to certain shareholders (including where required by law), to deal with fractions of securities, and otherwise adjust the rights of shareholders.</li> <li>Telstra has no current plans to implement any dividend or reduction of capital via an in specie distribution of shares or other securities, but the Board considers it to be in shareholders' best interests to include these provisions which allow the flexibility to do so in the future.</li> </ul>

Topic	Detail
<b>Dividends</b>	<ul style="list-style-type: none"> <li>Telstra's existing dividend provisions were drafted before recent amendments to the Corporations Act rules regarding the payment of dividends. Amendments are proposed to ensure that it is clear that the Corporations Act test applies and to avoid any inadvertent inconsistency or ambiguity.</li> <li>Amendments are also proposed to allow Telstra greater flexibility to deal with any unclaimed dividends, distributions or funds. Consistent with the current constitution, unclaimed funds may be reinvested into Telstra shares on behalf of the relevant shareholder. The new constitution would also permit those funds to be dealt with by the Directors for the benefit of Telstra until claimed. It also confirms that unclaimed funds have the benefit of protections available under modern laws relating to unclaimed monies.</li> </ul>
<b>Directors</b>	
<b>Board limit</b>	<ul style="list-style-type: none"> <li>Telstra's current constitution was drafted before the introduction in 2011 of the regime in the Corporations Act that restricts Directors setting limits on the number of Directors (below the maximum prescribed in the constitution) without shareholder approval – this is sometimes referred to as the “no vacancy” rule. Accordingly, the current constitution is not consistent with the Corporations Act and the protections granted to shareholders by the legislative changes made in 2011.</li> <li>Amendments are proposed to bring the new constitution in line with the Corporations Act by preventing Directors setting such a Board limit (unless that is approved by Telstra shareholders in general meeting), and removing outdated provisions that would inadvertently be inconsistent with the Board limit rules.</li> <li>Telstra's Board has not proposed to introduce a Board limit in recent years and there is no current intention to do so.</li> </ul>
<b>Nomination period for 'external' director candidates</b>	<ul style="list-style-type: none"> <li>Telstra's current constitution provides that nominations by director candidates must be received by Telstra no later than 45 business days, and no more than 90 business days, before the relevant general meeting. Where the meeting is one that has been called by or at the request of shareholders (rather than a general meeting convened by the Directors such as an AGM), nominations may be received up to the day that is 30 business days before the relevant meeting.</li> <li>The new constitution standardises this nomination period to 45 days for all meetings, whether convened by Directors or shareholders. This approach is consistent with the ASX Listing Rules, and provides a consistent nomination period for all persons proposing to nominate as candidates for election. It also enables Telstra to be in a position to provide proper disclosure to all shareholders in respect of the candidates, in the notice distributed to shareholders ahead of the relevant meeting.</li> </ul>
<b>Removal of Chairman of the Board</b>	<ul style="list-style-type: none"> <li>Telstra's current constitution provides for the Directors to appoint a Chairman and determine the term for which the Chairman holds office. Directors may also remove the Chairman from that office (but not from his or her position as Director) by a resolution passed by the Directors, where all Directors have received at least 14 days' notice of that resolution. The same provisions apply to any deputy chairman of the Board (if a Director were to be elected to that role).</li> <li>Under the new constitution, and consistent with market practice, it is proposed that the Directors will continue to appoint the Chairman and decide his or her term of office. As is common, that process (including any process for changing the Chairman) will not be prescribed in the constitution.</li> </ul>
<b>Chairman's casting vote at Directors' meetings</b>	<ul style="list-style-type: none"> <li>Telstra's current constitution provides that where there is an equality of votes for and against a Board resolution, the Chairman has a casting vote. The new constitution amends this arrangement to clarify that the Chairman does not have a casting vote on Board resolutions where only two Directors are present and entitled to vote, in line with market practice. While this is an extreme scenario, this approach prevents resolutions being approved using this arrangement where a sufficient number of Directors are not present at a Board meeting to consider a matter (even though the quorum requirements for the Board meeting are satisfied).</li> </ul>
<b>Indemnity</b>	<ul style="list-style-type: none"> <li>Telstra's current constitution provides for mandatory indemnification of certain directors and officers of Telstra, related bodies corporate and non-related companies, as well as discretion to indemnify other directors, officers and employees. These indemnities are subject to standard legal restrictions on the extent to which indemnities can be provided by law, including under the Corporations Act.</li> <li>Amendments are proposed to include permissive (rather than mandatory) indemnity provisions in the new constitution, allowing Telstra greater flexibility to determine the terms on which it indemnifies such directors, officers and employees. This avoids the current duplication and potential conflict that arises from overlap between the broad provisions in the current constitution, and the particular terms of deeds of indemnity that Telstra enters into from time to time.</li> <li>There is no change to the nature or extent of indemnities that can be provided – these continue to be expressly subject to restrictions under applicable law.</li> </ul>

Topic	Detail
<b>Other</b>	
<b>Fees for paper-based share transfers to reduce fraud/costs</b>	<ul style="list-style-type: none"> <li>Telstra does not have the ability under its current constitution to charge fees to enhance the fraud detection practices associated with off-market share transfers or to recover the administrative costs of these kinds of transfers.</li> <li>The ASX Listing Rules set out a number of situations where a company may charge a reasonable fee for share-related transactions, including for the issue of a new share certificate to replace one that is lost or destroyed or for registering paper-based share transfers.</li> <li>As permitted by the ASX Listing Rules, the new constitution includes new transfer and certificate provisions that allow Telstra the flexibility to reduce the financial burden of such transactions, by charging a reasonable fee for certain off-market transactions and documents, including registering paper-based off-market transfers and issuing replacement share certificates.</li> </ul>
<b>General updates</b>	<ul style="list-style-type: none"> <li>Rules which are now outdated, or which restated Corporations Act or ASX Listing Rule requirements, have been removed to simplify the constitution and minimise the need for further updates in the event of any legislative or regulatory changes in the future. The provisions of the new constitution have been amended to reflect changes in terminology now contained in the Corporations Act, the ASX Listing Rules and other applicable laws.</li> </ul>

### Board recommendation

The Board recommends that shareholders vote in favour of item 4. The Chairman of the meeting intends to vote all available proxies in favour of the adoption of the new constitution.

## Item 5 – Allocation of Equity to the CEO

### 5(a) Grant of Restricted Shares

### 5(b) Grant of Performance Rights to the CEO

Shareholders are being asked to approve a grant of 394,786 Restricted Shares and 451,184 Performance Rights to the Chief Executive Officer and Managing Director (CEO), Mr Andrew Penn, under the Telstra FY20 Executive Variable Remuneration Plan (EVP).

#### EVP terms and conditions

The CEO's total remuneration package for the 2020 financial year (FY20) comprised fixed remuneration (paid in cash) of \$2,390,000 (**Fixed Remuneration**) and variable remuneration delivered through the EVP. The CEO's Fixed Remuneration has not changed since 1 October 2017. The amount earned by the CEO under the

FY20 EVP (**Individual EVP outcome**) is delivered through a combination of cash (25%), Restricted Shares (35%) and Performance Rights (40%). It had the potential to deliver rewards that were valued at 200% of Fixed Remuneration for performance at target and 300% of Fixed Remuneration for stretch performance.

The Board believes that the EVP remains an appropriate mechanism to align performance and reward for the CEO and Group Executives and directly links reward to the delivery of our T22 strategy and Telstra's corporate plan. The Board also believes that delivering a significant portion of the CEO's Individual EVP Outcome in Performance Rights (which are subject to a relative total shareholder return (RTSR) performance measure described below) links the CEO's reward to Telstra's share price and dividend performance relative to the performance of ordinary securities issued by other

entities in the ASX100 (excluding resource companies). This reinforces the ultimate focus on shareholder value creation and helps align actual pay outcomes with returns delivered to long-term shareholders.

The CEO's FY20 Individual EVP Outcome was determined by the Board taking into consideration the Base EVP Outcome (determined following an assessment of Telstra's performance during FY20 against the performance measures and weightings below), his target EVP reward opportunity, his individual performance for FY20 and his ultimate accountability, as CEO, for circumstances being investigated by the ACCC, where our practices have not met the standards we set for ourselves, as outlined in our Remuneration Report and note 7.3.1 to our financial statements, both included in our 2020 Annual Report.

Financials – 60%				Strategic, Customer & Transformation – 40%			
Total Income 15%	Underlying EBITDA 15%	Free Cashflow (FCF) 15%	Net Opex Reduction 15%	Episode NPS 10%	Product Portfolio Simplification 10%	Digital Engagement 10%	People, Capability & Engagement 10%

The CEO's Individual EVP Outcome was \$3,463,970, which equates to 72.5% of the target opportunity and 48.3% of the maximum opportunity. Further details on how the CEO's Individual EVP Outcome was calculated are set out in our 2020 Remuneration Report.

The CEO's Individual EVP Outcome is proposed to result in the delivery of 394,786 Restricted Shares and 451,184 Performance Rights.

That number of Restricted Shares and Performance Rights was determined based on the dollar value of the CEO's Individual EVP Outcome, multiplied by 35% for Restricted Shares and 40% for Performance Rights, and then divided by \$3.0710, being the five-day volume weighted average share price (**VWAP**) of Telstra shares commencing on the day after the FY20 results announcement. As noted above, the remainder of the CEO's Individual EVP Outcome is delivered in cash.

#### Restricted Shares and Performance Rights

The Restricted Shares and Performance Rights are granted under, and subject to, the EVP. The key terms of the Restricted Shares and Performance Rights are set out below.

Topic	Detail
Entitlements	<ul style="list-style-type: none"> <li>• <b>Restricted Shares:</b> Each Restricted Share is a fully paid ordinary Telstra share. The Restricted Shares will be granted in four equal tranches with one tranche eligible to vest each year over four years following the end of FY20, with the first tranche vesting on 30 June 2021. During the restriction period prior to vesting, the CEO may not trade, dispose or otherwise deal with the Restricted Shares.</li> <li>• <b>Performance Rights:</b> Each Performance Right that vests following testing of the performance measure described below entitles the CEO to one fully paid ordinary Telstra share or, at Telstra's discretion, a cash amount equivalent to the value of a share. The CEO may not trade, dispose or otherwise deal with any Performance Rights granted to him. Telstra ordinary shares allocated on vesting of any Performance Rights will not be subject to restrictions on dealing.</li> <li>• In certain limited circumstances, such as a takeover event where 50% or more of all issued fully paid Telstra shares are acquired, the Board may exercise discretion to accelerate vesting of Performance Rights and accelerate the end of the restriction period for Restricted Shares.</li> </ul>
Performance measures	<ul style="list-style-type: none"> <li>• As described above, the number of Restricted Shares and Performance Rights granted to the CEO was determined based on performance against certain predetermined performance measures and the CEO's individual performance during FY20.</li> <li>• In addition, the number of Performance Rights that vest into Telstra ordinary shares (or a cash equivalent) will depend on Telstra's relative total shareholder return (<b>RTSR</b>) over the five-year performance period ending 30 June 2024 compared to the RTSR of entities in a comparator group comprising the ASX100 as at 1 July 2019 (excluding resource companies). The number of Performance Rights vesting will be determined on a straight-line basis, with 50% of the Performance Rights vesting when Telstra's RTSR ranks at the 50th percentile of the of the comparator group, up to 100% of the Performance Rights vesting where Telstra's RTSR ranks at the 75th percentile or above. No Performance Rights vest where Telstra's RTSR ranks below the 50th percentile.</li> <li>• The starting price that will be used to determine Telstra's RTSR at the end of the five-year performance period is \$3.78, being the average of Telstra's daily closing share price over the 30 day period to 30 June 2019.</li> <li>• Any Performance Rights that do not vest following testing of the RTSR performance measure will lapse.</li> <li>• Therefore, the CEO's Performance Rights are subject to two sets of performance measures: the first tested over FY20 and the second (the RTSR performance measure) tested over a five-year performance period.</li> </ul>
Issue / exercise price	<ul style="list-style-type: none"> <li>• As the Performance Rights and Restricted Shares form part of the variable remuneration component of the CEO's remuneration package, they will be granted at no cost to the CEO. No amount is payable by the CEO on the granting of Restricted Shares or on the granting or vesting of Performance Rights. Both the Restricted Shares and any shares to be provided on the vesting of Performance Rights will be purchased on-market.</li> </ul>
Dividends, ranking and voting rights	<ul style="list-style-type: none"> <li>• <b>Restricted Shares:</b> The CEO will receive dividends on, and have voting rights in relation to, Restricted Shares during the restriction period.</li> <li>• <b>Performance Rights:</b> The CEO has no legal or beneficial interest in Telstra shares (or cash), no entitlement to receive dividends and no voting rights in relation to the Performance Rights during the period between allocation and vesting of the Performance Rights. However, for Performance Rights that vest, the CEO will receive a cash payment at or around the time of vesting equivalent to the value of the dividends paid by Telstra during the period between allocation and vesting, subject to applicable taxation. No dividend equivalent payment will be made in relation to any Performance Rights that do not vest.</li> <li>• Restricted Shares and shares allocated on vesting of any Performance Rights will rank equally with other Telstra shares.</li> </ul>

Topic	Detail
<b>Treatment on cessation of employment</b>	<ul style="list-style-type: none"> <li>If the CEO ceases employment for reasons of redundancy, death, total and permanent disablement, certain medical conditions, retirement, separation by mutual agreement or Telstra initiated separation for a reason unrelated to performance or conduct (<b>Permitted Reason</b>): <ul style="list-style-type: none"> <li>Restricted Shares that have been granted will be retained by the CEO and remain subject to the original restriction period; and</li> <li>Performance Rights that have been allocated will be retained by the CEO and remain subject to the original performance period and the RTSR measure.</li> </ul> </li> <li>If the CEO ceases employment for any reason other than a Permitted Reason before the end of the performance period or restriction period, any unvested Performance Rights lapse and any Restricted Shares are forfeited.</li> </ul>
<b>Clawback (malus)</b>	<ul style="list-style-type: none"> <li>The Board has discretion to clawback a Performance Right and Restricted Share if certain Clawback Events occur before the performance right vests or the Restricted Share is transferred to the CEO following the end of the restriction period.</li> <li><b>Clawback Events</b> include fraud, dishonesty, gross misconduct, material breach of obligations by the CEO or behaviour that brings Telstra into disrepute or may negatively impact Telstra's long-term financial strength. It also includes where the CEO causes a significant deterioration in Telstra's financial performance or negatively impacts Telstra's standing with its regulators, where the financial results that led to the Performance Rights or Restricted Shares being granted are subsequently shown to be materially misstated, where the CEO fails to fulfil his responsibilities under Telstra's risk management framework resulting in a material breach of Telstra's risk management framework, or where the Board determines that the Performance Rights or Restricted Shares are an inappropriate benefit.</li> </ul>

#### Other information

- If shareholder approval is obtained, the Restricted Shares and Performance Rights will be granted within 12 months of the date of this meeting.
- The CEO is currently the only Director entitled to participate in the EVP.
- Following shareholder approval at the 2017 AGM, the CEO was granted 255,702 Restricted Shares and 383,554 Performance Rights in respect of the FY18 EVP, all of which were granted at no cost to the CEO. Following shareholder approval at the 2019 AGM, the CEO was granted 372,187 Restricted Shares and 558,281 Performance Rights at no cost to the CEO. No other Restricted Shares or Performance Rights have been granted to directors under the EVP.
- There is no loan scheme in relation to the Restricted Shares or Performance Rights.
- The grant of Restricted Shares and Performance Rights to the CEO falls within the exception to ASX Listing Rule 10.14 set out in ASX Listing Rule 10.16(a) and (b) because the Restricted Shares will be purchased on-market and the terms of the Performance Rights require any shares to be granted on exercise of the Performance Rights to be purchased on-market. Telstra is voluntarily seeking shareholder approval for good governance.
- Details of any securities issued to the CEO under the EVP will be published in Telstra's annual report relating to the period in which they are issued, along with a statement that approval for the issue was obtained from shareholders.

#### Outcome if shareholder approval is not obtained

If shareholder approval is not obtained for the relevant grant, the proposed grant of Restricted Shares and/or Performance Rights to the CEO will not proceed. This may impact Telstra's ability to incentivise the CEO, to align his interests with those of shareholders and to align his remuneration arrangements with the remuneration arrangements of Telstra's other senior executives. In these circumstances, the Board will need to consider alternative remuneration arrangements (such as a cash payment).

#### Voting Exclusion Statement

The company will disregard any votes cast:

- in favour of items 5(a) and 5(b) by or on behalf of the CEO and any of his associates, in any capacity; and
- on items 5(a) and 5(b) as a proxy by a person who is a member of the company's Key Management Personnel (**KMP**) at the date of the meeting or their closely related parties.

However, a vote will not be disregarded if it is cast:

- as a proxy or attorney for a person entitled to vote on the relevant item in accordance with a direction as to how to vote provided by that person; or
- as a proxy or attorney for a person entitled to vote on the relevant item, by the Chairman of the meeting, as the Chairman has received express authority from that person to vote undirected proxies as the Chairman sees fit even though items 5(a) and 5(b) are connected with the remuneration of the KMP; or

- in favour of the relevant item by the CEO or any of his associates as a nominee, trustee or custodian (or other fiduciary) for a person entitled to vote on the relevant item, in accordance with a direction as to how to vote given by that person, provided that person gives written confirmation to the CEO or his relevant associate (as applicable) that they are not excluded from voting on the relevant item and are not an associate of a person excluded from voting on the relevant item.

#### Board recommendation

The Board (other than Mr Andrew Penn) considers the CEO's total remuneration package for FY20, including the proposed grant of Restricted Shares and Performance Rights under the FY20 EVP, to be appropriate in all the circumstances. The Board (other than Mr Andrew Penn) recommends that shareholders vote in **favour** of items 5(a) and 5(b). The Chairman of the meeting intends to vote all available proxies in favour of the grant to the CEO.

## Item 6 – Remuneration Report

The 2020 Remuneration Report contains information regarding:

- our remuneration policy and strategy;
- the structure of non-executive Director, CEO and certain senior executive remuneration arrangements, and how we seek to align senior executive remuneration with company performance; and
- the remuneration of non-executive Directors, the CEO and certain senior executives for the year ended 30 June 2020.

The 2020 Remuneration Report can be found on pages 42 to 77 of the 2020 Annual Report.

This item provides an opportunity for shareholders at the meeting to comment on, and ask questions about, the 2020 Remuneration Report.

The vote on this item will be advisory only and will not bind the directors of Telstra. However, the Board will take the outcome of the vote into consideration when reviewing Telstra's remuneration practices and policies.

### Voting Exclusion Statement

The company will disregard any votes cast on item 6:

- by or on behalf of a member of the KMP whose remuneration is disclosed in the 2020 Remuneration Report (and their closely related parties) in any capacity; and
- as proxy by a person who is a member of the KMP at the date of the meeting (and their closely related parties),

unless the vote is cast as proxy for a person entitled to vote on item 6:

- in accordance with a direction as to how to vote provided by that person; or
- by the Chairman of the meeting as the Chairman has received express authority from that person to vote undirected proxies as the Chairman sees fit even though item 6 is connected with the remuneration of the KMP.

### Board recommendation

The Board recommends that shareholders vote in favour of item 6. The Chairman of the meeting intends to vote all available proxies in favour of this resolution.



# Conducting Telstra's Annual General Meeting

Our virtual Annual General Meeting will be conducted through our share registry's (Link Market Services) online platform at [agmlive.link/telstra2020](https://agmlive.link/telstra2020) and will give shareholders the opportunity to:

- hear presentations from the Chairman and CEO about the operations and performance of the company and the outlook for the year ahead.
- consider and vote on the resolutions contained in the Notice of Meeting.
- submit questions to the Chairman of the meeting, the Board, management and the auditor on the items of business, the management of the company or the conduct of the audit and the auditor's report. The Chairman and CEO will generally answer questions on behalf of the Board and management.

To help achieve these objectives we will:

- conduct the AGM through our share registry's (Link Market Services) online platform at [agmlive.link/telstra2020](https://agmlive.link/telstra2020) so that all Shareholders can attend the meeting. The AGM will be recorded and made available to view after the AGM at [telstra.com/agm](https://telstra.com/agm).

- enable shareholders to ask questions online prior to the meeting at [vote.linkmarketservices.com/tls](https://vote.linkmarketservices.com/tls). Shareholders will need to log in using their Shareholder number and then select the 'Ask Question' option under the 'Action' column. The Chairman and CEO will endeavour to address the more frequently raised shareholder matters during the course of the meeting. We may not be able to answer all questions.
- provide a reasonable opportunity for shareholders attending the virtual AGM to submit questions of the Board through the online platform.
- if a number of shareholders submit the same question to the meeting at a similar time, it may be practical for the Chairman of the meeting to respond once, addressing the shareholders who submitted the same question at the same time.
- answer shareholders' questions honestly and fairly. If we can't answer a question at the meeting, we will seek to provide a response to the shareholder asking the question after the meeting.

- inform shareholders as to the proxy and direct voting position with respect to the resolutions to be considered by the meeting and the manner in which the Chairman of the meeting intends to vote available proxies.

To help achieve these objectives we ask that shareholders:

- when entering their question online during the virtual AGM, are courteous and respectful to all shareholders and others attending the meeting. Disrespectful or rude questions and questions using bad language will not be responded to.
- when entering their question online during the virtual AGM, keep their questions concise and to the point and confine their questions to the matters before the meeting. If a shareholder enters a question that appears to be more relevant to the shareholder's own circumstances rather than to shareholders as a whole, the question will not be put to the Chairman of the meeting for response during the meeting and will be responded to after the meeting.

## Where do I locate my Shareholder number to vote at the virtual AGM?

A Shareholder number is a general term for your:

- SRN or HIN if your shareholding is on the Australian share register or you are a ESOP 99 Participant
- CSN or HRN if your shareholding is on the New Zealand share register
- Employee number if you have an employee holding on the Equity Plans register.

Shareholders who receive hard copy communications can locate their Shareholder number on their most recent dividend or holding statement, or the letter from John Mullen, Chairman, dated 20 July 2020 providing details of our virtual 2020 AGM.

Shareholders who receive electronic communications can locate their Shareholder number on any previously received hard copy dividend or holding statement.

Telstra ESOP 99 participants can locate their Shareholder number on any previously received hard copy dividend statement or their holding statement when they first joined the plan.

Eligible Employee Share Plan Participants can use their Employee ID to log in.

**Shareholders who wish to attend and vote at our virtual AGM need to ensure they have located their Shareholder number in advance of joining the meeting. For security reasons, Shareholder numbers can only be sent by post to the Shareholder's registered address, they cannot be provided by email or phone. Shareholders can attend the meeting without their Shareholder number but will not be able to vote or ask a question.**

For further information, please visit [telstra.com/agm](https://telstra.com/agm).

# FY20 Financial performance

Total Income on a reported basis<sup>1</sup>

**\$26.2 billion**

Earnings Before Interest, Tax,  
Depreciation and Amortisation (EBITDA)  
on a reported basis

**\$8.9 billion**

Underlying EBITDA  
on a guidance basis<sup>2</sup>

**\$7.4 billion**

Net Profit After Tax (NPAT)  
on a reported basis

**\$1.8 billion**

FY20 performance in line with guidance



Total FY20 dividends

**16 cents per share** fully franked



**\$1.9B returned**

to shareholders



**Maintained A-band credit ratings**



**€500 million** (approximately AUD \$860 million)  
bond issue further strengthened balance sheet



**\$1.8B reduction**

in underlying fixed costs<sup>3</sup> since FY16

1. Excluding financial income

2. FY20 guidance assumed wholesale product price stability and no impairments in and to investments or property, plant and equipment and intangible assets, and excluded any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum. The guidance also assumed the nbn rollout and migration in FY20 was broadly in accordance with the nbn Corporate Plan 2020. Guidance was provided on the basis of AASB16 Leases and assumed impacts consistent with management estimates. Capex was measured on an accrued basis and excluded expenditure on spectrum and externally funded capex and capitalised leases under AASB16 Leases. Underlying EBITDA excludes net one-off nbn Definitive Agreement (DA) receipts less nbn net cost to connect (C2C), one-off restructuring costs and guidance adjustments but includes depreciation of mobile lease right-of-use assets. In-year nbn headwind is defined as the net negative recurring EBITDA impact on our business based on management best estimates including key input of the nbn Corporate Plan 2020.

3. Underlying fixed costs excludes one-off nbn DA and nbn net C2C, one-off restructuring costs and guidance adjustments.

# FY20 highlights

## Our customers



Helped around  
**2.6 million customers**  
stay connected  
during COVID-19



More than  
**4 million customers**  
on our new plans



More than  
**4.3 million active**  
My Telstra app users



Over **2 million**  
**Telstra Plus members**  
and over **4.3 billion**  
points redeemed

## Our people



**All-time-high**  
employee  
engagement



**New paid**  
parental  
leave policy



**Australian-first**  
pandemic leave  
policy



**10,000 people**  
now working  
in Agile teams

## Our community



**2.5 million free calls**  
made from Telstra  
payphones during  
the bushfire crisis



**Certified**  
carbon neutral  
in our operations  
in July 2020



**10-year extension**  
of CareerTrackers  
program supporting  
Indigenous graduates



**Partnered with**  
**5 major universities**  
to build skills for  
the future

## Our network



**Australia's best 5G**  
– Telstra's 5G footprint  
covers approximately  
one third of the  
Australian population



**\$500 million**  
investment brought  
forward to increase  
network capacity  
and accelerate our  
5G roll out



**Switched on more**  
**than 700 black spot**  
**sites**, most under the  
Federal Government's  
Mobile Black Spot  
Program



**Continued**  
investment  
in our 400,000km  
subsea cable  
network

# The importance of connection: responding to the bushfire and COVID-19 crises

This year is one we will always remember: a year scarred by the bushfire crisis and COVID-19 pandemic. We will proudly remember how our people stepped up and responded to these challenges, driven by our purpose and values.

When considering how to be a responsible business in the 2020s, *how* businesses do things is just as important as *why* they do them. This thinking guided our response to these crises, and our investments in our T22 strategy gave us the capability to move quickly. The reasons we introduced T22 two years ago – a need to rapidly simplify and digitise, to remove customer pain points, to remove legacy systems and processes – are more relevant and necessary than ever before.

It was a year that highlighted the importance of connection to loved ones, to critical services and to communities, and we were passionate about stepping up to provide the connectivity that our communities needed.

## Bushfires

When the bushfires hit in late 2019, our people were on the ground supporting those who needed us the most. Our emergency teams and field technicians responded to impacted sites as soon as it was safe to do so, delivering backup generators, installing temporary mobile cells on wheels, and making repairs to our network wherever possible. We provided vital infrastructure for emergency services and community evacuation centres. Our team also created a custom app to help catalogue damage to Telstra infrastructure and get it fixed as quickly as possible.

Telstra has a long and proud history of standing with the communities we are part of in times of crisis and is a passionate supporter of rural and regional Australia. With connectivity being such a vital lifeline, we worked hard to make sure our customers and affected communities stayed in touch. We made our Telstra payphones and Telstra Air Wi-Fi hotspots free nationally during January and February, with more than 2.5 million calls made from our payphones. We made key emergency services sites unmetered for our mobile customers so they could get the latest information on the bushfire situation without having to worry about the data they were using.

With such devastation around them, paying bills became challenging for some of our customers. We answered more than 55,000 calls from customers making enquiries and seeking support after the bushfires and we paid the mobile phone bills of around 10,000 fire fighters and SES volunteers over December and January.

In total, our investment in supporting customers and restoring bushfire damage to our own infrastructure, which continues into FY21, will be around \$44 million.

The bushfires forever changed the lives of many Australians and were felt by the nation. We shifted our focus to rebuilding, though it wasn't long before a new challenge was upon us.

## COVID-19 pandemic

Since the start of the COVID-19 pandemic, Telstra's primary focus was on protecting the health and safety of our employees, helping our customers and communities stay connected, and contributing to the national response.

### Supporting our people

The rise of the unprecedented COVID-19 pandemic was an unnerving time and its presence and impact was a source of ongoing uncertainty. It posed risks to our health, our livelihoods and our way of life. In March 2020, we put further job reductions on hold for six months to give our people as much certainty and security as we could. We were also the first major Australian company to introduce a new global epidemic and pandemic leave policy for our people, including paid leave for our casual employees.

After more than six years of our successful flexible working policy, All Roles Flex, we were able to quickly transition around 25,000 office-based employees in Australia to working from home.

In order to keep our stores open and our technicians on the road, we took many steps to help reduce the risk of

COVID-19 transmission. This included closing some of our stores to help the rest of the retail network stay fully resourced and open, and introducing new processes to assess the potential risks from COVID-19 at customer properties before our technicians visited.

To help better support our customers we added thousands of temporary roles in Australia while we supported our staff and partners outside Australia, including those from our contact centres in India and the Philippines who were subject to lockdown measures. We understand this was a challenging time and are sorry for the impact it had on our customers, and we thank our people for doing what they could to help. This included those from across the business who volunteered to help our contact centres by taking customer calls and managing queries.

### Supporting our customers

As we isolated in our homes, staying connected through phone and internet services became more important than ever.

From March to June 2020, we helped around 2.6 million customers stay connected during the COVID-19 pandemic through a range of initiatives.

We delivered unlimited data for home and small business fixed broadband customers, extra data for consumer and small business mobile customers and unlimited local, national and 13/1300 calls and calls to Australian mobiles for eligible pensioners with a Telstra home phone plan.

We also offered discounts for eligible customers receiving the JobSeeker payment.

For many of our customers who were unable to pay their bills, we temporarily suspended late payment fees and launched a bill assistance hub so customers could get information on the support measures and apply for relief if they were doing it tough because of COVID-19.



Telstra CEO Andy Penn visits a restored mobile tower in Jingellic, NSW. Source: James Wiltshire, The Border Mail.

Small business customers could suspend their landline and internet services if they had to cease trading, and we provided free or heavily discounted access to specialist online digital business tools and discounted mobile broadband plans to help them rapidly move their business online.

Our teams also worked around the clock to move our Enterprise customers to remote working or learning, delivering innovative business continuity solutions.

We helped connect 30,000 disadvantaged students across the country by providing them with internet access to support their online learning through state education departments and Catholic Education.

We also introduced an NBN Co broadband offer for eligible low-income families at \$40 for 12 months, with a Smart Modem included.

Meanwhile, we had teams working tirelessly to keep our international network connected during a time where we experienced 50 per cent spikes in the volume of data being transmitted.

#### Supporting the nation

It quickly became clear that the pandemic was going to have significant economic implications and we wanted to do what we could to support the nation that had supported us for so long.

That's why we brought forward \$500 million of capital expenditure from the second half of FY21 into the 2020 calendar year, providing the economy with much needed investment. We are deploying this investment to increase capacity in our network and further

accelerate the roll out of 5G, among other projects supporting the digital enablement of our customers' businesses and operations. We also extended all our sponsorships expiring in 2020 for another 12 months, supporting sporting, education, art communities and more.

It was very important to us that we supported those suffering from the changing social environment, which is why the Telstra Foundation donated \$2 million to help fast track the digital enablement of youth mental health services provided by Orygen Digital and ReachOut.

We used our tech capability within Telstra Purple to help develop a brand-new hospital monitoring system in two weeks. The Critical Health Resource Information System (CHRIS) allows healthcare facilities to move patients to the nearest available ICU hospital, and redeploy vital equipment including personal protective equipment, respirators and dialysis machines to those that need it most. It has now been expanded to include hospitals across Australia and New Zealand.

Telstra Health also worked collaboratively with hospitals and healthcare professionals to support them to continue providing care during the summer of natural disasters. We saw demand for virtual healthcare and other digital health solutions increase as a result of the pandemic, demonstrating the importance of high-quality digital health information as well as the availability of options for the public to access care and advice in a socially distanced world.

#### The new reality

These crises forever changed our community and forever changed our company. Rather than thinking about post-COVID-19 as only a "recovery" and considering how to get back to the way things were, we see an opportunity to grow the economy in the long term and build an even stronger company to best support our customers, our people and deliver returns to our investors. The COVID-19 crisis goes on and we must continue to adapt and embrace our new reality and harness the opportunities that come with rapid change.

Businesses should be thinking about tangible ways to drive Australia to become a more digitised society and economy, so we can do more than just bounce back. This requires reform in five key areas: digital transition, infrastructure, regulation, cyber security, and skills. However, a single company, a single organisation or a single government cannot achieve this on its own so we will continue to advocate for reform by Australian businesses more broadly.

The principles and initiatives that sit at the heart of our T22 program are exactly those that helped us respond to these crises. Indeed, they are exactly those that we will need in order to support our customers and be successful in the future. We will continue to adapt to the needs of our customers while staying focused on building a connected future so everyone can thrive.