



31 August 2018

The Manager

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SYDNEY NSW 2000

Office of the Company Secretary

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Corporate Governance Statement and Appendix 4G

Please find attached, in accordance with Listing Rules 4.7 and 4.10.3, a copy of Telstra's Corporate Governance Statement and completed Appendix 4G, for release to the market.

Yours faithfully

Sue Laver
Company Secretary

Governance at Telstra

2018 Corporate Governance Statement



We are committed to excellence in corporate governance, transparency and accountability.

This is essential for the long term performance and sustainability of our company, and to protect and enhance the interests of our shareholders and other stakeholders.

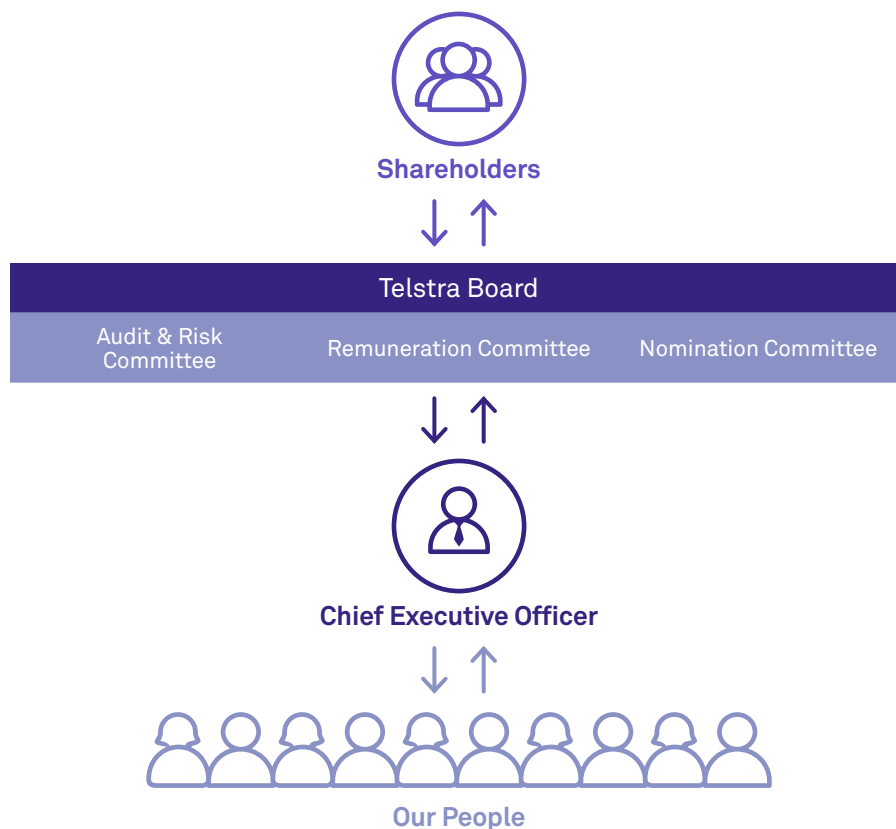
We are pleased to present our 2018 Corporate Governance Statement, which details our key governance arrangements and practices at Telstra.

We comply with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations), which is reflected in this Corporate Governance Statement. Further information about governance at Telstra can be found in the corporate governance section of our website at [telstra.com/governance](https://www.telstra.com/governance) (governance website).

We regularly review our governance arrangements, to reflect developments in market practice, expectations and regulation as appropriate.

Our governance framework plays an integral role in supporting our business and helping us deliver on our strategy. It provides the structure through which our strategy and business objectives are set, our performance is monitored, and the risks we face are managed.

It includes a clear framework for decision making and accountability across our business and provides guidance on the standards of behaviour we expect of each other.



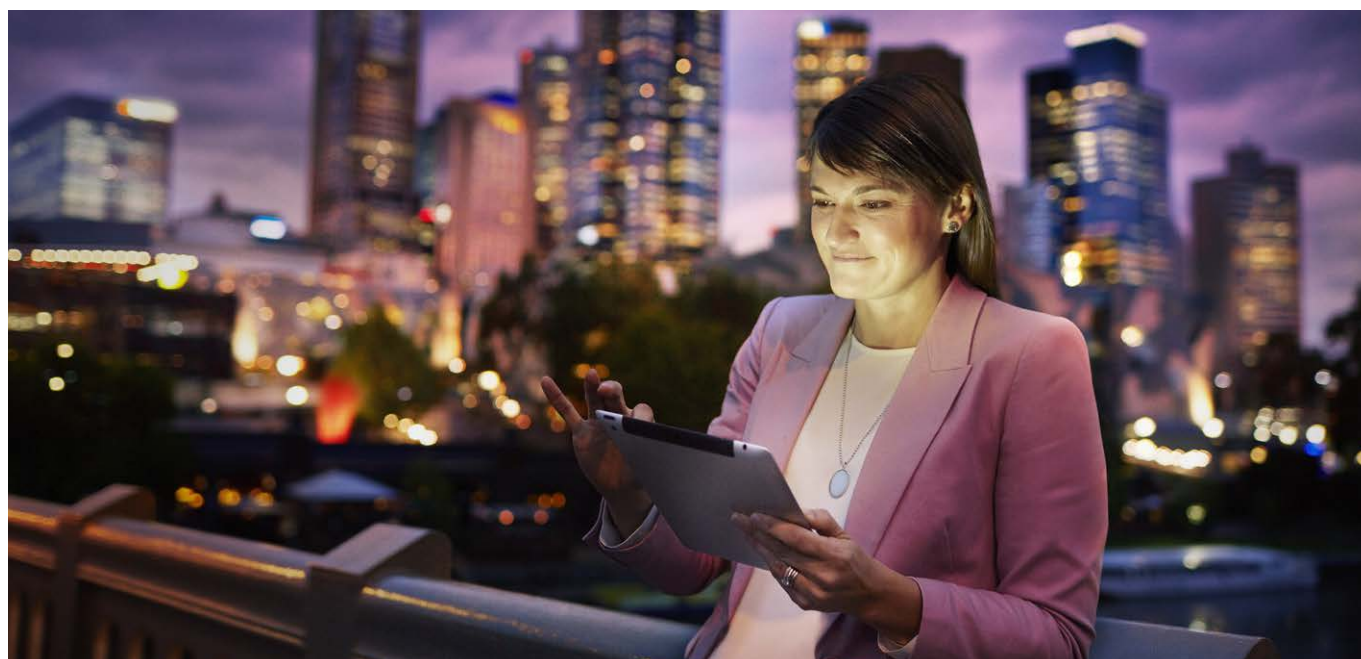
Our governance framework includes:

- open, clear and timely communications with our shareholders
- a skilled, experienced, diverse and independent Board, with a Board Committee structure suited to our needs
- clear delegation, decision making and accountability frameworks
- robust systems of risk management and assurance
- Telstra Values™, Code of Conduct and policy framework which explain what we stand for as an organisation and how we will conduct ourselves as we work together to deliver our strategy.

Our areas of governance focus during FY18 – a snapshot

Some of the key areas of governance focus and key activities undertaken by the Board, its Committees and management during FY18 included:

Board composition	Experienced American telecommunications executive Roy H. Chestnutt joined the Board in May 2018, further enhancing the Board's collective set of skills and experience. The Telstra Board is always cognisant of the rapidly changing environment in which the company operates and seeks to appoint directors with relevant skills and experience. Mr Chestnutt is a timely and impactful addition to the Board, bringing with him more than 30 years of direct telecommunications experience and significant perspective from the US and global markets.
Strategy and performance	There was continued in-depth consideration of our strategy over the short, medium and long-term, including in particular our new Telstra-2022 strategy (T22) to lead the Australian market by simplifying our operations and product set, improving customer experience and reducing our cost base. Our T22 strategy leverages the significant capabilities already being built through Telstra's up to \$3 billion strategic investment announced in August 2016 in creating the Networks for the Future and digitising the business. Further information about T22 can be found in our 2018 Annual Report.
Risk management, governance and compliance	The Audit & Risk Committee continued its focus on: <ul style="list-style-type: none"> • overseeing the embedding of risk identification, assessment and management in every aspect of our business, and • monitoring whether the level of compliance and governance within the company was appropriate and oversaw improvements, including in the context of our culture and capability programs of work.
Remuneration	The governance of senior executives' remuneration outcomes remains a key focus of the Remuneration Committee and the Board. We regularly review our policies to ensure that remuneration outcomes for our executives continue to be aligned with company performance. Gender pay equity also remains a priority as we continue to develop and implement policies and initiatives to drive greater equity across the organisation. We are continuously looking to identify, target and reduce any sizeable gender pay gaps that exist within the organisation.
Refreshed Telstra Code of Conduct	In September 2017 we refreshed and relaunched our Code of Conduct (Code) to our people. Our Code explains what we stand for as an organisation and how we will conduct ourselves as we work together to deliver our strategy. It continues to cover a range of important elements about how we do business, including key elements on behaving ethically and lawfully. Our Code now also better links to our Telstra Values™, and outlines where to go for further help and how to raise concerns through various channels, including our whistleblowing service. Our Board, CEO and Leadership Team are deeply committed to our Code.



Sally, Telstra Digital

1 | Engaging with our shareholders



Telstra Annual General Meeting 2017

We value and facilitate a direct, two-way dialogue with our shareholders and investors. It is important we provide relevant information as quickly and efficiently as possible to shareholders (recognising the importance of meeting our continuous disclosure and other legal obligations to the market), and listen to and understand their perspectives and respond to their feedback.

Our Annual General Meeting (AGM) plays an important role in providing our shareholders with an opportunity to hear presentations from the Chairman and CEO about the operations and performance of our company and the outlook for the year ahead, and to ask questions of the Board, management and the auditor on the management and performance of our company.

We encouraged shareholders to provide us with their questions ahead of our 2017 AGM, consistent with our approach in previous years, and we received more than 1,300 questions and comments. This helped us further understand shareholder issues and concerns and enabled us to address areas of shareholder feedback at the AGM.

As we have done in recent years, before our 2017 AGM we also held four retail shareholder information briefings with the CEO, CFO or other senior executives. Briefings were held in Sydney, Brisbane, Adelaide and Perth (with the Sydney event also webcast live). These briefings provided an additional opportunity for our retail shareholders to hear from and question management about our company in person, recognising the large and geographically diverse nature of our shareholder base. Over 600 retail shareholders attended these briefings. We intend to hold similar briefings ahead of our 2018 AGM.

We have a number of other initiatives in place to promote effective communication with our shareholders and investors. During FY18 these included:

- **Online voting at our 2017 AGM** – at our 2017 AGM, we provided shareholders who attended the meeting in person with a new way to lodge their vote on their mobile phone or tablet device using the LinkVote App. If shareholders had not downloaded the app prior to the AGM, free Wi-Fi was available at the AGM as well as staff to assist with using the app.
- **Electronic communications** – we continued to encourage shareholders to provide us with their email addresses so we could communicate with them electronically about events and matters relevant to our company, such as our

results announcements, dividend payments and AGM. Shareholders can also contact us (and our share registry) electronically.

- **Investor briefings** – we held two significant investor briefings during the year. The first was our Investor Day in November 2017, which included presentations on our vision and strategy within the context of the changing market dynamics, and progress on our strategic investment program in networks and digitising the business to support the delivery of better experiences for our customers. The second was in June 2018, when we unveiled our new T22 strategy. These briefings provide an opportunity for us to immerse our shareholders and other stakeholders in our business and strategic direction outside of our traditional results announcements. We communicated with our shareholders via email and the ASX market announcements platform, informing them where they could view the presentations and a recording of the events.
- **Webcasting important company events** – we webcast important events such as our Half Year and Full Year financial results briefings, our AGM and other investor events discussing the performance and strategy of our business. Following some of our major events and briefings, we also make transcripts of those events available on the ASX and our website.

2 | The Board of Directors



John P Mullen



Andrew R Penn



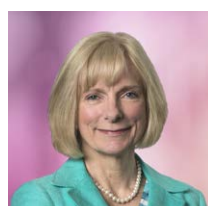
Roy H Chestnutt



Craig W Dunn



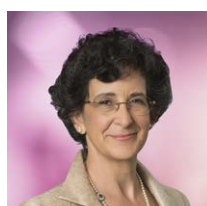
Peter R Hearl



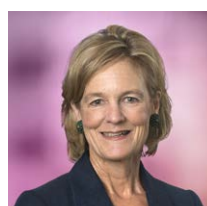
Jane Hemstritch



Russell A Higgins AO



Nora L Scheinkestel



Margaret L Seale



Steven M Vamos



Trae Vassallo

2.1. The responsibilities of the Board

The Board is responsible for managing Telstra's business, and is accountable to shareholders in performing that role. In addition to the matters the Board is required by law to approve, the key responsibilities of the Board include:

Strategy and corporate plan

- approving our strategy and monitoring its implementation
- approving our corporate plan and monitoring our performance against it.

The CEO

- appointing the CEO, assessing his performance and determining his remuneration.

Senior management, remuneration and performance

- approving the appointment and remuneration of senior management and overseeing their performance, as well as approving our overall remuneration framework.

Financial and risk management

- overseeing our financial position and approving decisions about our capital management, including share buy-backs and dividends
- overseeing our external audit activities and monitoring our internal audit activities and internal control and reporting systems
- reviewing the risks faced by the company that have the potential to have a material impact on Telstra's business and overseeing the risk management framework implemented by management to identify and manage those risks.

Governance, compliance and diversity

- monitoring and influencing our culture, reputation, ethical standards and legal compliance, and overseeing our corporate governance framework (including approving the Telstra Group Code of Conduct, which includes our Telstra Values)
- overseeing and monitoring the effectiveness of our sustainability strategy
- monitoring our health, safety and environmental performance
- overseeing shareholder reporting and communications and the process for complying with our continuous disclosure obligations
- setting our diversity objectives.

The Board has adopted a Board Charter that details its role and responsibilities (which can be found on our governance website).

The CEO, together with the senior management team, is responsible to the Board for the development and implementation of our strategy and the overall management and performance of our company.

The Board has delegated to the CEO responsibility for day-to-day management of Telstra. A formal delegations structure is in place which sets out the powers delegated to the CEO and those specifically retained by the Board. The Board reviews these delegations annually.

The matters that have not been delegated to management include matters that relate to:

- significant expenditure and acquisition and divestment transactions in excess of discretionary limits delegated to the CEO by the Board
- material variations to strategy and/or the annual corporate plan
- capital management initiatives including payment of dividends, share issues and buy-backs and returns of capital
- related party transactions that require shareholder approval
- transactions between a Telstra Group entity and any Director of Telstra Corporation Limited (or an entity controlled by a Director), unless the transaction is trivial or domestic in nature
- National Broadband Network transaction related matters expressly reserved for the Board
- matters requiring approval by the Board or one of its Committees under the terms of their respective Charters, and
- transactions imposing personal obligations on Directors.

The delegations from the Board to the CEO are complemented by a formal structure setting out the delegations from the CEO to our people, which are also reviewed from time to time with any material changes notified to the Board or Audit & Risk Committee.

2.2 Our Chairman

Our Chairman must be an independent Director appointed by the Board and the role of Chairman and CEO cannot be fulfilled by the same person. Our Chairman, John Mullen, is an independent non-executive Director. He has been a Director of Telstra since July 2008 and was appointed Chairman in April 2016.

The Chairman's overarching responsibilities are to provide appropriate leadership to the Board and Telstra and to ensure the Board fulfils its obligations under its Charter. The Chairman's responsibilities are set out in more detail in the Board Charter.

2.3. Board composition, tenure, renewal and Director appointment

The Board actively seeks to ensure it has an appropriate mix of diversity, skills, experience and expertise to enable it to discharge its responsibilities effectively and to be well equipped to help our company navigate the range of opportunities and challenges we face.

As at the date of this statement, we have 11 Directors on the Board, comprising 10 non-executive Directors and the CEO: Chairman John Mullen, CEO Andrew Penn and Directors Roy H Chestnutt, Craig Dunn, Peter Hearl, Jane Hemstritch, Russell Higgins AO, Nora Scheinkestel, Margaret Seale, Steven Vamos and Trae Vassallo.

Details of the Directors, including their qualifications and experience, together with details of their length of service, can be found in the Board of Directors section of our 2018 Annual Report.

During FY18, there was one change to the Telstra Board. Experienced American telecommunications executive Roy H. Chestnutt joined the Board as a non-executive Director effective 11 May 2018. Mr Chestnutt brings with him more than 30 years of direct telecommunications experience, providing significant perspective from the US and global markets. He was most recently Executive Vice President, Chief Strategy Officer for Verizon Communications and has held leadership positions with other leading firms including Motorola, Grande Communications, Sprint-Nextel and AirTouch.

Mr Chestnutt will stand for election by shareholders at our 2018 AGM to be held on 16 October 2018. In addition, as outlined in our 2018 AGM Notice of Meeting which we released to the market on 31 August 2018:

- the Board has nominated experienced European telecommunications executive Niek Jan van Damme for election as a non-executive Director at this year's AGM, and
- Directors Russell Higgins AO, Steven Vamos and Trae Vassallo have notified the Board that they do not intend to stand for re-election and will therefore retire from the Board at the conclusion of the AGM.

Board composition

Matters relating to Board (and Board Committee) composition are considered by the Board and Nomination Committee in accordance with the framework set out in the Nomination Committee Charter and through processes implemented by the Board.

To assist in identifying areas of focus and maintaining an appropriate and diverse mix in its membership, the Board utilises a skills matrix which is reviewed by the Board on a regular basis. It is an important, but not the only, basis of criteria applying to Director appointments.

The Board skills matrix sets out the mix of skills, experience and expertise the Board currently has and is looking to achieve in its membership. Its structure reflects the areas particularly relevant to our strategy, as well as other areas of general relevance to the composition of the Board.

During the year the Board refreshed its skills matrix. The areas addressed in the Board skills matrix are:

Skills, expertise and experience in:	
Telecommunications, technology and innovation	Telecommunications, engineering and networks, technology and innovation, digital and data (including digitisation, digital ways of working, leveraging digital technologies, understanding the use of data and digital disruption), cyber-security and regulated utilities and infrastructure.
Products and services	Sales and marketing, retail markets, distribution, fast moving consumer goods, markets and market dynamics and areas such as network applications and services, internet and online media and content, and health industry and medical.
Finance	Accounting, finance, audit, banking, treasury and capital markets.
Governance	Legal, governance, compliance, risk management and sustainability.
People, culture and capability	Labour relations, human resources, health safety and environment, remuneration, and culture and capability.
Regulatory and Government policy	Government, Government relations, and public and regulatory policy.
Business leadership and geographical experience	Non-executive Director roles, CEO-level roles (public companies and other organisations), change management and business transformation, and different geographical areas (Australia/New Zealand, Asia, the Americas and Europe).

Each of these areas is currently well represented on the Board. The Board benefits from the combination of Directors' individual skills, experience and expertise in particular areas, as well as the varying perspectives and insights that arise from the interaction of Directors with diverse backgrounds. The Board also continues to seek ways to augment the skills, experience and expertise represented on the Board to best equip the Board to fulfil its role effectively.

In respect of diversity, at Telstra diversity means difference, in all its forms, both visible and not visible, and includes differences that relate to gender, age, cultural background, disability, religion and sexual orientation, as well as differences in background and life experience, and interpersonal and problem solving skills.

For FY18, the Board's diversity objective was that there will be at least four women on the Board, representing a female gender representation among non-executive Directors of at least 40 per cent, recognising that the level of gender diversity of the Board may be temporarily affected during periods of Board renewal. The Board has maintained this objective for FY19. As at 30 June 2018, there were four female Directors on the Board (including the Chairman of the Audit & Risk Committee), representing a female gender representation among non-executive Directors of 40 per cent.

The Board skills matrix is not intended to cover interpersonal, problem solving and other soft skills which are also important factors in the Board's ability to work constructively and effectively together. The Board considers these aspects of Board diversity as part of its Board composition, and Director appointment and performance deliberations throughout the year.

Board tenure and renewal

In recognition of the importance of Board renewal and succession planning, the Board has adopted the following principles in relation to Board and Board Committee tenure:

- **Director Positions** – where a non-executive Director is approaching the end of his/her third three-year term, a more formal review of his/her continuing directorship should take place, taking into account broader Board renewal and Board composition considerations and the requirements of the Telstra Corporation Act
- **Board Committee Chair Positions** – the maximum term for a non-executive Director to hold the position of Chairman of a Board Committee is generally five years, and
- **Board Committee Membership** – Committee membership should rotate every three to five years, subject to considerations of Committee succession planning and the overall composition/skills/experience of the Committee.

The Board also considers the length of service of each non-executive Director as part of its assessment of Director independence.

During FY18, as part of its Board and Committee membership review, the Board considered the tenure of Dr Nora Scheinkestel as Chairman of the Audit & Risk Committee. In light of the challenges Telstra is facing, the Board extended Dr Scheinkestel's tenure as Audit & Risk Committee Chairman by up to a further year, to provide continuity and stability in what is an important function for the company.

Director appointment, election and 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 Mr Chestnutt's appointment, he was identified as a desirable and qualified candidate by the Board and we undertook appropriate checks before he was appointed by the Board.

We provide formal letters of appointment to all new Directors (as well as senior management) in their personal capacity setting out the terms and conditions of their appointment. Director letters of appointment include a requirement for Directors to inform the Chairman if they accept any new non-executive director or executive appointments. In particular, Directors are required to consult with the Chairman before accepting any additional commitments which might conflict with, or impact on the time they are able to devote to, their role as a Telstra non-executive Director. Appropriate commitment of time to the affairs of Telstra is also one of the issues addressed in Directors' performance reviews.

In accordance with the ASX Listing Rules, we hold an election of Directors at our AGM each year. Directors stand for election or re-election in accordance with the process set out in our Constitution. No non-executive Director may hold office for more than three years, or beyond the third AGM following their appointment, whichever is the later, without re-election. Any new non-executive Director appointed by the Board during the year is required to stand for election at the next AGM.

If no Director would otherwise be required by our Constitution to submit for election or re-election then, in accordance with the procedure specified in our Constitution, any non-executive Director who wishes to retire and offer himself or herself for re-election may stand, otherwise the non-executive Director who has been longest in office since their last election or appointment is required to retire and stand for re-election. As the tenure of the CEO as a Director is linked to his or her executive office, the CEO is not required to stand for re-election through this process.

A recommendation to re-elect a non-executive Director at the end of their term is not automatic. Before each AGM, the Board determines if it will recommend that shareholders vote in favour of the re-election of the non-executive Directors standing for re-election. This decision is made by the Board, having regard to the outcome of the annual Board performance review and any other matters it considers relevant.

We provide shareholders with all material information in our possession that is relevant to a decision on whether to elect or re-elect a Director in our AGM Notice of Meeting.

2.4 Director independence

The Board recognises the important contribution that independent Directors make to good corporate governance. All Directors, whether independent or not, are required to act in the best interests of Telstra and to exercise unfettered and independent judgment.

The Board intends that the CEO is the only executive Director and that all non-executive Directors are also independent Directors.

The Board assesses, at least annually, the independence of each non-executive Director. We consider that an independent Director is a non-executive Director who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of his or her unfettered and independent judgement and ability to act in Telstra's best interests.

When assessing the independence of a Director, the Board considers the matters potentially affecting the independent status of a Director as described in Box 2.3 of the ASX Recommendations. Materiality is assessed on a case-by-case basis from the perspective of both Telstra and the relevant Director, and consideration is given to both qualitative and quantitative factors.

The Board may determine that a Director is independent notwithstanding the existence of an interest, position, association or relationship of the kind described in Box 2.3. However, in such a case, the Board will disclose the reasons for making its determination.

If at any time during the year a Director ceases or may have ceased to be independent, they are required to advise the Chairman immediately. Where the Board determines that a Director is no longer independent, Telstra will make an announcement to the market.

With the exception of the CEO, all our Directors are non-executive Directors and have been determined by the Board to be independent. As part of its independence assessment, the Board considered the length of service of each non-executive Director on the Board and concluded that no Director had been a Director of Telstra for such a period that their independence may have been compromised.

2.5 Review of Board and Director performance

The Board reviews its performance annually, as well as the performance of each Committee and individual Directors (including the performance of the Chairman as Chairman of the Board). These performance reviews are conducted both internally and, on a periodic basis, externally with the assistance of a facilitator.

The Board undertook a performance review, led by the Chairman, in the first half of FY18. This review built on the review undertaken in the first half of FY17 with the assistance of an external facilitator. The FY18 process incorporated a number of components including:

- a structured discussion amongst the Directors on Board, Committee and Director (including Chairman) performance
- one-on-one review meetings between the Chairman and each Director, and between the Chairman of the Audit & Risk Committee and the Chairman in respect of Mr Mullen's performance as Chairman, which provided further input to support recommendations made in relation to those Directors who stood for election or re-election at the 2017 AGM, and
- a Board discussion of the outcomes of the review.

The overall assessment included that the Board continued to perform well in discharging its responsibilities and helping the company navigate the range of opportunities and challenges we face.

Following the end of FY18:

- the Board undertook an assessment of its performance against the requirements of its charter in respect of FY18
- self-assessment reviews were undertaken by each standing Board Committee in respect of their performance during FY18 and provided to the Board, and
- the Board considered the performance of the Directors standing for election or re-election at the 2018 AGM when determining the Board's recommendation to shareholders regarding the election or re-election of those Directors.

The Board is currently in the process of conducting a performance review with the assistance of an external facilitator, which will be reported on in our 2019 Corporate Governance Statement.

The Board reviews the CEO's performance annually against agreed measures and other relevant factors. The CEO undertakes a similar exercise in relation to senior executives. The outcomes of the CEO's annual review of senior executive performance and remuneration are subject to Board review and approval. Reviews of the performance of the CEO and senior executives were undertaken at the end of FY18. Information about our remuneration

framework and policies, and details of the remuneration outcomes for FY18 for the CEO and senior executives, can be found in our 2018 Remuneration Report (which forms part of the Directors' Report in our 2018 Annual Report).

2.6 Board operating rhythm

The Board has an established Board cycle, which provides a high-level overview of items to be considered over a 12-month period. Its purpose is to link the Board program with strategic and operational priorities and to ensure the Board devotes appropriate time to consideration of the various dimensions of our business across the cycle.

The items covered across the cycle include matters ranging from implementation of our strategy, performance against our corporate plan, the status of the risks faced by us that have the potential to have a material impact on our business and matters requiring Board approval, to matters relating to our people, culture and governance framework.

The Board cycle is reviewed on an ongoing basis to ensure it reflects the current needs of the Board and the business.

Some of the activities and areas of focus of the Board during FY18 included:

- continued in-depth consideration of our strategy over the short, medium and long term, including in particular our new T22 strategy to lead the Australian market by simplifying our operations and product set, improving customer experience and reducing our cost base
- overseeing our strategy execution, including progress on our program to invest an extra up to \$3 billion over three years from FY17-19 on our networks for the future, digitisation and customer experience
- continued consideration of the competitive dynamics facing Telstra and the industry and the impact on Telstra's trading position, including Telstra FY18 earnings guidance
- through the work of the Audit & Risk Committee in particular, the continued focus on overseeing the embedding of risk identification, assessment and management in every aspect of our business, and
- the transaction to combine Foxtel and FOX SPORTS Australia, with Telstra having a 35 per cent shareholding in the combined entity.

2.7 Director induction, training and continuing education

All new Directors participate in an induction process coordinated by the Company Secretary, which assists in providing a smooth transition for new Board members. The induction process for our non-executive Directors includes briefings on our strategy, financial, operational and risk management matters,

our governance framework (including relevant policies), our culture and values and developments in our company and the sectors and environments in which we operate.

We also have in place a continuing education program for Directors that is part of the annual Board cycle. Specific sessions are scheduled around Board meeting dates and we provide other appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. During the year, our program included visits to overseas operations and meetings with industry experts and stakeholders, as well as attendance at relevant industry conferences.

2.8 Board access to management and independent professional advice

Directors have complete access to our senior management team through the Chairman, CEO or Company Secretary at any time. In addition to regular presentations by senior management at Board meetings, Directors may seek briefings from senior management on specific matters.

The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the ability to retain, at Telstra's expense, such legal, accounting or other advisers, consultants or experts as it considers necessary from time to time in the performance of its duties. All Committees of the Board also have access to independent professional advice on this basis. In certain circumstances, each Director has the right to seek independent professional advice at Telstra's expense within specified limits.

2.9 Conflicts of interests

In accordance with the requirements of the Corporations Act and our Constitution, Directors must declare any conflict of interest they may have, and must follow the procedures set out in our Directors' Interests Policy including, in certain circumstances, abstaining from participating in any discussion or voting on matters in which they have a material personal interest.

2.10 Company Secretary

The Company Secretary is appointed by the Board. She reports directly to the Board through the Chairman, and all Directors have access to the Company Secretary. The Company Secretary's role in respect of matters relating to the proper functioning of the Board includes advising the Board and its Committees on governance matters, monitoring that Board and Committee policies and procedures are followed, coordinating all Board business and providing a point of reference for dealings between the Board and management.

3 | Board Committees

The Board has three standing Committees. Together they play a significant role by focusing in more detail on specific areas of our operations and governance framework, which assists in strengthening the Board's oversight of Telstra.

As at the date of this statement (and for all of FY18), the following three standing Committees assist the Board in carrying out its responsibilities:

- Audit & Risk Committee
- Remuneration Committee, and
- Nomination Committee.

An overview of the role and responsibilities, focus areas during FY18, composition and membership as at 30 June 2018 of each Committee is provided in this section. Each Committee reports to the Board and makes recommendations to the Board for its consideration, as appropriate.



	Audit & Risk Committee	Remuneration Committee	Nomination Committee
Roles and Responsibilities	<p>The Audit & Risk Committee (A&RC):</p> <ul style="list-style-type: none"> • assists the Board with matters relating to financial reporting, risk management, compliance (including health, safety and environmental performance), external audit, internal control, internal audit, corporate governance and matters that may significantly impact the financial condition or affairs of the business • oversees Telstra's compliance with its Structural Separation Undertaking and the activities of the Director of Equivalence • provides a forum for communication between the Board, management and both the internal and external auditors • provides a conduit to the Board for external advice on audit, risk management and compliance matters. 	<p>The Remuneration Committee assists the Board with matters relating to:</p> <ul style="list-style-type: none"> • remuneration of the Board, CEO and Company Secretary • performance and remuneration of senior management • remuneration strategies, practices and disclosures generally (including non-routine remuneration arrangements) • diversity (excluding Board diversity) • employee equity plans • management succession, capability and talent development. 	<p>The Nomination Committee assists the Board with matters relating to:</p> <ul style="list-style-type: none"> • composition and performance of the Board, including Board diversity • Director independence • appointment of the CEO and succession planning for this role • CEO and Company Secretary performance • outside directorship requests from executives in relation to publicly listed companies or managers of listed managed investment schemes.
Activities/areas of focus during FY18	<ul style="list-style-type: none"> • Continuing to oversee the embedding of risk identification, assessment and management in every aspect of our business. • Continuing to monitor whether the level of compliance and governance within the company was appropriate and oversaw improvements, including in the context of our culture and capability programs of work. • Monitoring nbn™ retail service provider business and nbn migration issues and how they will be addressed as nbn migration occurs. • Network, operations and business resilience. 	<ul style="list-style-type: none"> • Remuneration structures and plans across Telstra. • Performance and remuneration of senior management, including the Executive Variable Remuneration Plan introduced in FY18. • Risk management practices and relevant remuneration considerations. • Policies and practices influencing gender pay equity. • Our capability build and talent strategies, as well as succession planning for senior management and executive roles. • Our diversity and inclusion initiatives. 	<ul style="list-style-type: none"> • Board renewal (including consideration of a diverse range of potential Board candidates) and the appointment of a new director during the year. • A refresh of the Board skills matrix.
Composition	<p>Composition requirements include:</p> <ul style="list-style-type: none"> • there must be at least three independent non-executive Directors on the Committee • the members must, between them, have sufficient accounting and financial knowledge to allow them to discharge their duties and actively challenge information presented by management, internal and external auditors • the Chairman must be an independent Director who is not Chairman of the Board. <p>Our A&RC structure complies with the ASX Listing Rules and the ASX Recommendations.</p>	<p>Composition requirements include:</p> <ul style="list-style-type: none"> • there must be at least three independent non-executive Directors on the Committee • each member is expected to be familiar with the legal and regulatory disclosure requirements in relation to remuneration and have adequate knowledge of executive remuneration issues, including executive retention and termination policies, and short term and long term incentive arrangements. <p>Our Remuneration Committee structure complies with the ASX Listing Rules and the ASX Recommendations.</p>	<p>Composition requirements include there must be at least three independent non-executive Directors on the Committee, including the Chairman of the Board.</p> <p>Our Nomination Committee structure complies with the ASX Recommendations.</p>
Membership as at 30 June 2018	Nora Scheinkestel – Chairman Craig Dunn Russell Higgins AO Margaret Seale	Peter Hearl – Chairman Jane Hemstritch Russell Higgins AO Steven Vamos	John Mullen – Chairman Peter Hearl Steven Vamos
Consultation	<ul style="list-style-type: none"> • Other members of the Board may attend A&RC meetings and the A&RC may invite management, the external auditor and others to attend meetings as it considers necessary or appropriate. • The A&RC meets with the internal auditor and the external auditor in the absence of management. 	<ul style="list-style-type: none"> • Other members of the Board may attend Remuneration Committee meetings. The Remuneration Committee may also invite other people, including any Telstra employees, to attend all or part of its meetings provided that the person is not present for consideration of any item in which they have a material personal interest. This ensures that no senior executive is directly involved in deciding their own remuneration. • The Remuneration Committee obtains external advice from independent remuneration consultants in determining Telstra's remuneration practices where considered appropriate. 	<p>Other members of the Board may attend Nomination Committee meetings, which are generally scheduled to coincide with Board meetings to enable all Board members to attend. The Nomination Committee can also invite other people, including any Telstra employees, to attend all or part of its meetings provided that the person is not present for consideration of any item in which they have a material personal interest.</p>

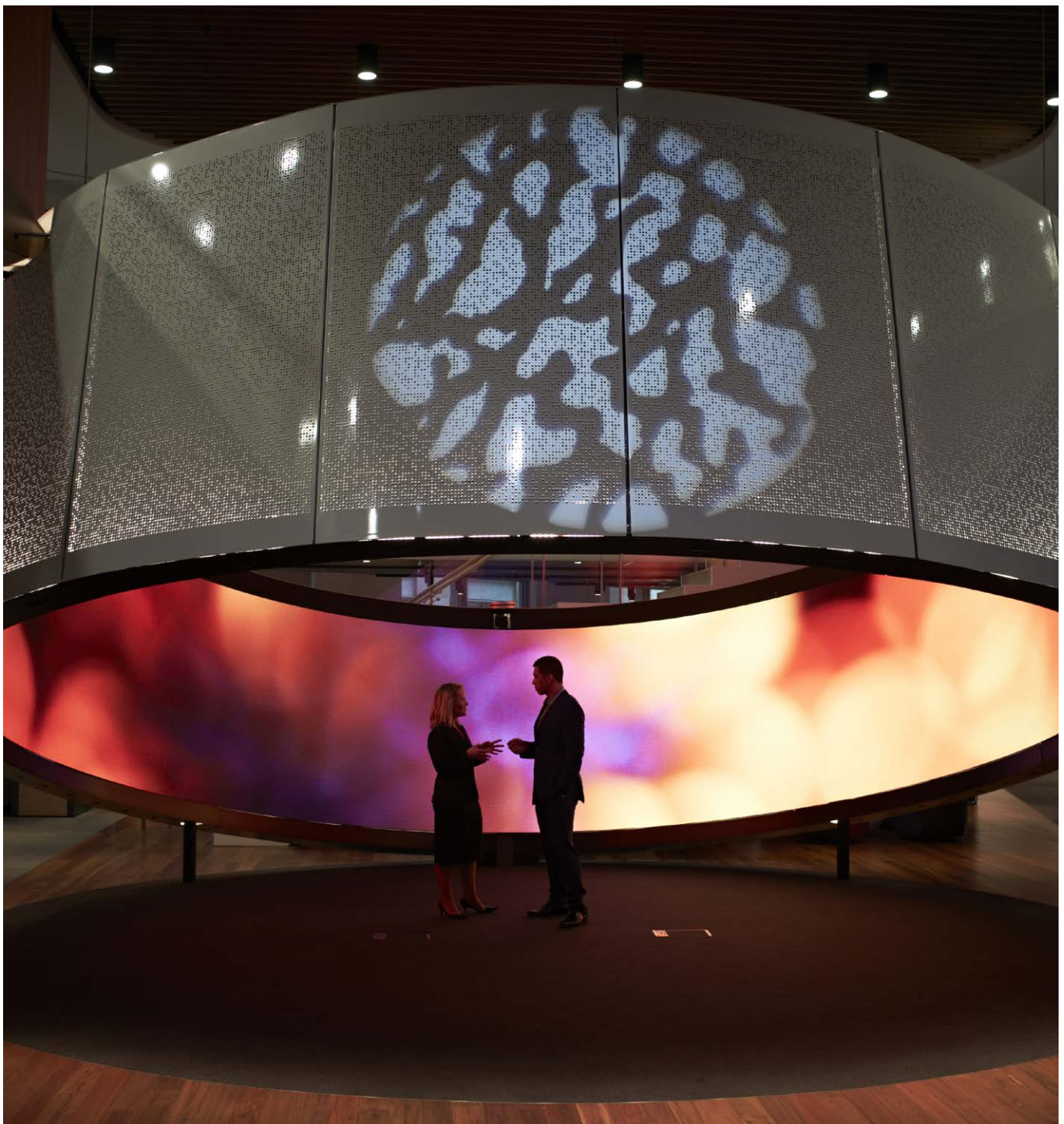
Each Committee operates in accordance with a written Charter approved by the Board, which can be found on our governance website. The role, Charter, performance and membership of each Committee are reviewed each year.

Only independent, non-executive Directors can serve on our three standing Board Committees. The Board appoints the members and the Chairman of each Committee. In addition to the membership requirements applying to each Committee as set out in its Charter, each Committee member must have the capacity to devote the required time and attention to prepare

for, and attend, Committee meetings. Following each Committee meeting, the Board receives a report from that Committee on its deliberations, conclusions and recommendations.

Details of the number of meetings held by the Board and its standing Committees during FY18, and attendance by Directors, can be found in our 2018 Directors' Report included in our 2018 Annual Report. Information on the relevant qualifications and experience of Committee members can be found in the Board of Directors section of our 2018 Annual Report.

The Board also establishes ad hoc committees from time to time to support the Board in carrying out its responsibilities. The Board established a special purpose Board committee relating to the Company's capital allocation review announced in November 2016. The members of the Committee were Nora Scheinkestel (Committee Chairman), John Mullen, Craig Dunn and Andrew Penn. This committee ceased operation in FY18.



4 | Assurance and risk management



4.1 External auditor

Our external auditor is Ernst & Young (EY) and our lead EY partner is Mr Andrew Price.

Our EY lead auditor attends our AGM and is available to answer shareholder questions about the conduct of our audit and the preparation and content of the auditor's report.

The Audit & Risk Committee oversees our relationship with EY, including:

- reviewing and assessing the performance, independence and objectivity of EY
- monitoring management's adherence to our policy on audit and non-audit services provided by EY
- reviewing and agreeing on the terms of engagement and fees for EY, and
- reviewing EY's proposed annual audit scope and audit approach, including materiality levels.

During FY18, the Audit & Risk Committee was provided with regular formal, written reports detailing the nature and amount of any non-audit services rendered by EY and an explanation of how the provision of those non-audit services was compatible with auditor independence. Details of amounts paid or payable to EY for non-audit services provided during the year are disclosed in Note 7.2 to our Financial Statements in our 2018 Financial Report (included in our 2018 Annual Report).

4.2 Internal audit

Our internal audit activities are undertaken by Group Internal Audit, Telstra's dedicated internal audit function. The role of Group Internal Audit is to provide the Board and management with independent and objective assurance on the effectiveness of our governance, risk management and internal control processes. To maintain the necessary independence it needs to carry out its role, Group Internal Audit has no direct operational responsibility or authority over any of our business or risk management activities.

Functional responsibility for Group Internal Audit resides with the Director Group Internal Audit, whose appointment is approved by the Board. The Director Group Internal Audit reports to the Audit & Risk Committee and the CFO. Group Internal Audit has full and unrestricted access to all of our information systems, records, physical properties and employees in order to carry out its activities. The work of Group Internal Audit is guided by The International Professional Practices Framework provided by the Institute of Internal Auditors. The Audit & Risk Committee monitors Group Internal Audit's activities and performance, including its independence.

4.3 Managing our risks

Understanding and managing our risks is part of how we work. It helps us meet our strategy and business objectives and our legal and regulatory obligations, and enables us to make informed business decisions and act ethically in the best interests of Telstra Group and our shareholders.

We have a risk management framework in place that provides the foundations and organisational arrangements for how we manage risks across the Group. The framework aligns with ISO 31000:2018, the International Standard for risk management, and consists of a set of components for designing, implementing, monitoring, reviewing and continually improving risk management at Telstra. The objective of our risk management framework is to ensure risk management is embedded within our governance, strategic decision-making, business activities, operations and culture.

Our risk management framework is underpinned by our 'three lines of defence' accountability model, which comprises the following:

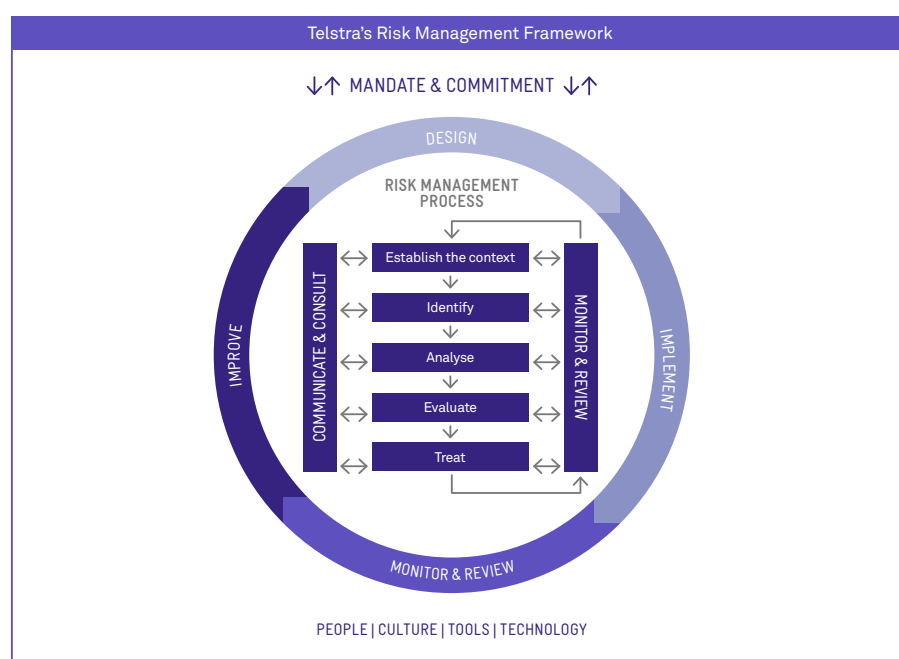
- **First Line** – business stakeholders and operational management who are responsible for identifying, assessing and managing their risks and are supported by business unit risk management teams
- **Second Line** – the Chief Risk Office and other second line oversight functions (e.g. Health, Safety and Environment), which are responsible for risk and compliance frameworks, oversight and monitoring
- **Third Line** – our Group Internal Audit function, which is responsible for providing independent assurance on governance, risk management and internal control processes.

One of the core components of our framework is the risk management process which provides the business with a process for assessing our risks. Through this risk management process, we identify, monitor and report on risks that may prevent the achievement of our plans and objectives. The risk management process ensures consideration of all types of risks from internal and external sources, including strategic, operational, financial and regulatory, as well as economic, environmental and social sustainability risks.

A summary of the material risks that could affect Telstra (including any material exposure to economic, environmental and social sustainability risks), and how we seek to manage them is provided in the Our material risks section of our 2018 Annual Report. We maintain ongoing processes for identifying new and emerging risks to our business, this includes undertaking risk assessments on products and services from design through to market launch; industry and market trend analysis; risk workshops with our partners; and regular risk forums with senior management. Identified risks, along with their controls and treatment plans, are monitored for changes in their exposure, or effectiveness, and are reported to the Board (including its Committees) during the course of the year.

The Audit & Risk Committee assists the Board in the monitoring and review of risks through more detailed consideration of selected risks. The Committee also reviews and monitors the adequacy and effectiveness of management's processes for identifying, managing, reporting on and responding to risks.

We also have in place a Management Risk Committee which is the peak management governance committee for risk management across Telstra. It is a forum to assist the CEO, supported by the



CEO Leadership Team, to ensure that our management teams implement an effective risk management and internal control framework to identify, manage and monitor our risks, and for the review and consideration of risk management responsibilities. The Management Risk Committee ensures senior management are provided with more detailed and timely information in relation to our key risks and controls, including current and emerging risks, compliance, privacy, fraud, business integrity, business continuity, and internal audit activities.

We consider economic, environmental and social sustainability factors as part of our consideration of our risks. Each year we undertake an assessment to help us determine the risks and opportunities relating to those factors and how they may impact our business and stakeholders. Important topics identified this year include customer experience, privacy and data security, business resilience, diversity and inclusion, ethics, values and governance, digital inclusion, energy and emissions, and climate change resilience. Maintaining clear oversight of our climate change related risks and opportunities is one of our sustainability governance priorities. More information about our sustainability risks, our approach to managing them, and our performance is available in our 2018 Bigger Picture Sustainability Report at [telstra.com/sustainability/report](https://www.telstra.com/sustainability/report)

We also undertake activities to monitor and review our risk management framework to ensure that it is operating as intended. We conduct reviews and self-assessments of our framework at least annually across the enterprise and

report the results to our Management Risk Committee and the Audit & Risk Committee. We use the results of those reviews, as well as recommendations from Group Internal Audit, our third line of defence, to identify and implement opportunities that improve our framework.

In FY18 we implemented a number of key initiatives, which have driven an uplift in our risk management maturity. This has included expanding our reporting and monitoring of our risk appetite in relation to key risks, as well as developing new and more flexible risk processes to support risk identification and risk management in our new ways of working. In respect of FY18, the Audit & Risk Committee has reviewed Telstra's risk management framework and is satisfied that it continues to be sound.

4.4 CEO and CFO declarations

In connection with our financial statements for the financial year ended 30 June 2018, and the half-year ended 31 December 2017, our CEO and CFO have provided the Board with declarations that:

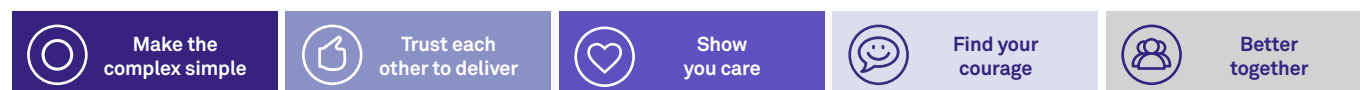
- in their opinion, the financial records of Telstra have been properly maintained
- in their opinion, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Telstra, and
- their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

5 | Acting ethically and responsibly

5.1 Our Purpose, Values and Culture

Our purpose is to create a brilliant connected future for everyone. It's what brings us together and removes the barriers that keep us apart.

Our Values are our shared beliefs about what we stand for and how we operate. They shape our decisions and actions, and are there to guide us on how to work together.



Living our values and building culture and engagement

The culture and capability of our workforce is an essential part of delivering on our T22 strategy. We are focused on ensuring we have the right culture to deliver on our objectives in line with our values, and the right capabilities to ensure we can provide our customers with brilliant experiences.

We are committed to creating a workplace where our people can thrive personally and professionally. Our approach focuses on living our values and building a culture that is highly engaged, customer focused, compassionate, collaborative and innovative.

We empower and enable employees to own their career, learn and develop, encourage open conversations between employees and leaders, and recognise and reward employees who create positive outcomes and impact for the business and customers.

In FY18 we continued to focus on bringing our values to life in everything we do and continued to encourage our people to recognise others who were doing this.

Further information about our culture and values can be found in our 2018 Bigger Picture Sustainability Report available on our website at telstra.com/sustainability/report

5.2 Our Code of Conduct and key governance policies

In September 2017 we refreshed and relaunched our Code of Conduct ('Code') to our people.

Our Code explains what we stand for as an organisation and how we will conduct ourselves as we work together to deliver our strategy. It continues to cover a range of important elements about how we do business, including key elements on behaving ethically and lawfully.

Our Code now also better links to our Telstra Values, and outlines where to go for further help, and how to raise concerns through various channels, including our whistleblowing service. Our Board, CEO and Leadership Team are deeply committed to our Code.

Our principles

Our Code sets out the standards of behaviour we expect of our people, including our Directors, employees and contractors. It embodies our commitment to good corporate governance and responsible business practice. It also reflects the expectation of our customers, investors, regulators and the community.

We have also developed the following principles for our Code that are underpinned by our Values.

At Telstra, we act in the best interest of the company and our shareholders and work as one team to deliver solutions for our customers.	At Telstra, we compete fairly and comply with the law in the countries where we operate.	At Telstra, we act with honesty and integrity and don't make or receive improper payments, benefits or gains.	At Telstra, we secure and protect the property of Telstra and others, including company and personal information.
At Telstra, we maintain a safe and inclusive working environment where we treat each other with respect.	At Telstra, we seek to make positive and sustainable economic, social and environmental contributions wherever we operate.	At Telstra, we communicate responsibly and use technology appropriately.	At Telstra, we're all individually accountable for complying with the Code, and we call things out which don't seem right.

In addition to our Code, we have a number of governance policies and practices that are central to how we promote good corporate governance, and a culture of acting lawfully, ethically and responsibly.

Our people

Health, safety, wellbeing and environment (HSWE) – recognising our commitment to the health, safety and wellbeing of our staff, contractors and community as well as to the environment.

In addition to highlighting the importance of caring about health and safety, it sets out our commitment to initiatives that reduce HSWE risk in our operations and build a high performing HSWE culture, where sharing insights and learnings are part of the way we work. We encourage employees, contractors and suppliers to openly report HSWE issues, incidents and hazards, and use data and analytics to support managers in making sound decisions on corrective actions and controls.

Established HSWE governance forums help manage progress, monitoring our performance through regular reporting to the Board, Audit and Risk Committee, executive leadership team and senior managers.

We also have a companywide interactive program called Thrive, to help our people build resilience and maintain wellbeing. Thrive offers face to face and online workshops, multimedia resources, quick tips and information for a range of wellbeing strategies.

More information about HSWE at Telstra can be found in our 2018 Bigger Picture Sustainability Report available on our website at telstra.com/sustainability/report

Diversity and inclusion – reflecting the way we value diversity and inclusion at Telstra and their role in enabling us to achieve our strategy, and providing the framework for the Board to establish our measurable objectives. Further information about diversity and inclusion at Telstra is provided in section 6 below.

Discrimination and bullying – aiming to ensure we have a workplace free of all forms of unlawful discrimination, harassment, bullying and victimisation.

Our customers

Privacy – setting out our commitment to protect our customers' personal information. This outlines how and why we collect personal information, how we may use and disclose it, how we keep it secure and accurate, and how customers may access their personal information. Further information on privacy at Telstra can be found in our 2018 Bigger Picture Sustainability Report and on our website at telstra.com/privacy (which includes our Privacy Statement).

Good corporate governance and responsible business practice

Anti-bribery and anti-corruption – aiming to ensure we comply with all applicable anti-bribery and anti-corruption laws. We also seek to ensure that gifts and hospitality are not given or accepted in inappropriate circumstances, including where the offering or acceptance may (or may be perceived to) compromise independence or be construed as a bribe.

Conflicts of interest – helping our employees and contractors understand what would be a conflict of interest, how to avoid actual, perceived or potential conflicts of interest, and how to manage them if a conflict arises.

Continuous disclosure – outlining responsibilities and the process for the approval of our ASX announcements, including where Board approval is required in respect of announcements that relate to matters that are within the reserved powers of the Board (and responsibility for which has not been delegated to management) or matters that are otherwise of fundamental significance to Telstra, as well as the role of our CEO, CFO and Continuous Disclosure Committee in relation to disclosure matters.

We aim to ensure that we provide our shareholders, investors and the financial community with appropriate and timely information while ensuring we fulfil our statutory reporting obligations under the Corporations Act and the ASX Listing Rules.

Our market disclosure policies and practices are reviewed and updated on a regular basis. We provide advance notification of significant group briefings, such as our results announcements, and make them widely accessible through the use of webcasting and placing all announcements made to the market on our website at telstra.com.au/aboutus/investors/announcements

Securities trading – setting out the rules and restrictions relating to buying, selling and otherwise dealing in Telstra securities by our Directors, CEO, senior management, specified other employees and their closely related parties (Designated Persons), through a trading windows approach.

Designated Persons are also prohibited from using Telstra securities as collateral in financial transactions (including margin loan arrangements), and engaging in short selling or stock lending arrangements and short term trading in respect of our securities, as well as entering into hedging arrangements that limit the economic risk of holding Telstra securities (including any held under our equity plans).

All of our people are required to comply with the insider trading laws, and must also consider how their proposed dealing in Telstra securities (or the securities of another company), could be perceived by the market before they deal.

Social media – providing guidance to employees and contractors who use social media, either as part of their job or in a personal capacity, about our expectations when they talk online about us, our products and services, our people, our competitors and/or other business related individuals or organisations.

Good corporate governance and responsible business practice (continued)

Structural separation undertaking – reflecting our commitment to compliance with the Structural Separation Undertaking (SSU).

The SSU includes our undertaking to structurally separate over time through migrating voice and broadband customers from Telstra's copper and HFC networks to the nbn™, and to delivering transparency as well as equivalence in the supply of regulated fixed network services to our wholesale customers.

Our commitments under the SSU include the requirement to self-report potential breaches of the SSU to the Australian Competition and Consumer Commission (ACCC) each month, and to report annually to the ACCC on our compliance, including details of any new or additional measures that have been undertaken by us to ensure compliance. The ACCC reports annually to the Minister for Communications on our compliance with the SSU.

Sustainability – seeking to manage our business to produce an overall positive impact for our customers, employees, shareholders, the wider community and other stakeholders, while minimising our environmental and social impacts.

Our Sustainability strategy reflects the issues that are most material for our business, the areas in which we have the expertise to make a meaningful impact, and where we see opportunities to use innovative, tech-based solutions to help address major societal challenges and opportunities.

Our approach is informed by an annual materiality assessment, through which we identify and prioritise the environmental, social and governance (ESG) topics of greatest importance to our business and stakeholders, as well as our efforts to develop quality stakeholder relationships through meaningful engagement and dialogue.

In line with our Sustainability strategy commitments, we make donations and partner with many community and non-profit organisations. We do not make political donations. However, in line with other major publicly listed companies, we do pay fees to attend events organised by political parties where those events allow for discussion on major policy issues with key opinion leaders and policy makers.

More detailed information about our approach to sustainability can be found in our 2018 Bigger Picture Sustainability Report available on our website at telstra.com/sustainability/report

Whistleblowing – providing an avenue for anyone to report suspected unethical, illegal or improper behaviour. Our whistleblowing process is supported by an independent service provider and all disclosures are treated confidentially and can be made anonymously. Our Group Whistleblowing Committee monitors disclosures, investigations, recommendations and, where appropriate, the implementation of actions, and our Audit & Risk Committee oversees the whistleblowing process.

Our Code (which includes our Telstra Values) is approved by the Telstra Board. Any material breaches of our Code, key governance policies or legal and regulatory requirements by us or our people are reported by management to the Board and/or the Audit & Risk Committee, together with details of the actions taken by management to address the breach.

Additional information about our governance framework (including our Code, Securities Trading and Diversity and Inclusion policies, and a summary of our market disclosure policies) can be found on our governance website.

6 | Diversity and inclusion at Telstra

We value diversity and inclusion and the benefits they bring to the Telstra Group in achieving our objectives, enhancing our reputation, and attracting, engaging and retaining talented people.

At Telstra, diversity means difference, in all its forms, both visible and not visible, and includes differences that relate to gender, age, cultural background, disability, religion and sexual orientation, as well as differences in background and life experience, and interpersonal and problem solving skills.

The diversity of our people should reflect our diverse, global customers and the countries where we operate. Diversity of thought drives innovation which is essential to achieve our business strategy, and also supports our values around fairness and corporate social responsibility.

Everyone has a part to play in actively and intentionally behaving with inclusion in mind. We are committed to flexible ways of working and the use of technology to enable flexibility.

Diversity and inclusion is a key driver of employee engagement at Telstra. All Telstra leaders are accountable for leading inclusively, this is built into our leadership framework and measured annually.

Our diversity and inclusion policy provides the framework for the Board to set our measurable objectives for achieving diversity (our policy is available at [telstra.com/governance](https://www.telstra.com/governance)). Throughout the year, management, the Remuneration Committee and the Board assess our progress in achieving our objectives.



The table below summarises our objectives and our progress against them as at 30 June 2018, as well as our objectives in respect of FY19.

Measure	Progress/Result in respect of FY18 (or as otherwise stated)	Objective in respect of FY19 (or as otherwise stated)
Women on the Board	<p>Objective – There will be at least four women on the Board, representing a female gender representation among non-executive Directors of at least 40%.</p> <p>Progress – As at 30 June 2018, there were four female Directors on the Board (including the Chairman of the Audit and Risk Committee), representing a female gender representation among non-executive Directors of 40%.</p>	There will be at least four women on the Board, representing a female gender representation among non-executive Directors of at least 40%.
Diversity representation in graduate intake	<p>Objective – 50% female representation in the graduate intake selected in 2018, with an aspiration to also achieve 10% representation of people with a disability and 5% Indigenous representation among the graduate intake by 2020.</p> <p>Result and progress – Achieved and on track. Objective exceeded against two targets, not yet met for one.</p> <ul style="list-style-type: none"> • 52.5% female • 11.7% people with a disability • 3.2% Indigenous. 	50% female representation in the graduate intake selected in 2018, with an aspiration to also achieve 10% representation of people with a disability and 5% Indigenous representation among the graduate intake by 2020.
Promotion rates for women	<p>Objective – Promotion rates for women to exceed their representation at Business Unit level.</p> <p>Result – Partially achieved. Promotion rates for women exceeded their representation in Telstra overall, and in five out of 11 business units.</p>	N/A
Engagement of identified groupsⁱ	<p>Objective – Engagement of identified groups equal to or greater than Telstra-wide engagement score, with any negative differences not statistically significant.</p> <p>Result – Partially achieved. Engagement scores of all identified groups have improved since the 2017 survey. Telstra's overall sustainable engagement score was 74. Objective achieved for women (76) and culturally and linguistically diverse employees (78), both with statistically significant positive variances. For employees who identified as LGBTI (73), the negative difference was not statistically significant. Objective not achieved for Indigenous employees, or those with a disability, both results were 66, significantly below the overall score.</p>	N/A
WGEA Employer of Choice for Gender Equality	N/A	To be awarded the WGEA Employer of Choice for Gender Equality citation annually.
Female representationⁱⁱ at 30 June	<p>Objective – FY18: Female representation at 30 June 2018 of 32% (Telstra Total) and 30% (Executive Management). For FY20 – Female representation at 30 June of 35% (Telstra Total) and 40% (Executive Management).</p> <p>Result – Female representation at 30 June 2018 of:</p> <ul style="list-style-type: none"> • Telstra Total – 31% up from 30.1% in year prior, below the target of 32% • Executive Management (Leaders in Bands A-C) – 31%, up from 27.8% year prior and exceeding the target of 30%. 	<p>FY19 – Female representation at 30 June of 31.5% (Telstra Total) and 35% (Executive Management).</p> <p>FY20 – Female representation at 30 June of 32% (Telstra Total) and 40% (Executive Management).</p>

i Identified groups are female employees, Indigenous employees, culturally and linguistically diverse (CALD) employees, employees with a disability and, gay, lesbian, bisexual, transgender and intersex (LGBTI) employees.

ii Includes full time, part time and casual staff in Telstra Corporation Limited and its wholly owned subsidiaries, excluding contractors and agency staff. It does not include staff in any other controlled entities within the Telstra Group.

The key changes to our measurable objectives for FY19 as outlined above are:

- we have included Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality citation as a new objective, in place of two previous objectives about promotion rates and engagement of identified groups. Citation is a robust indicator of organisational commitment and progress. We have decided to use the WGEA criteria as a

guide for setting all targets. The promotion rate and engagement score targets have been removed as they do not meet the five criteria of: clarity, small steps, manager influence/control realistic and informed by thorough analysis and supported by manager accountability.

- we have recalibrated our overall female representation targets for FY19 and FY20. This is as a result of our further recent analysis of what realistic targets we

should set, in line with WGEA's methodology and our own workforce planning predictions (particularly taking into account our predicted increase in technology roles where women are under-represented). A recalibration of these targets should not be interpreted as a signal that Telstra is less committed to gender equity, but as an acknowledgement of the internal and external forces which exist.



6.1 Gender equality

This year we saw a 0.9 percentage point increase in female representation across Telstra Corporation Limited and its wholly owned subsidiaries. While the target of 32 per cent was not achieved, it was positive to see an upward trajectory after noting a decline in the prior year.

We are committed to achieving gender equality at Telstra and have a broad range of policies, programs and engagement initiatives in place to help us achieve this goal. Our initiatives include:

- our CEO, Andrew Penn, is an active member of the 'Male Champions of Change'
- to formally drive gender equality across Telstra and ensure a standard of equality across our recruitment process, in March 2017 we introduced a Recruitment Equality Procedure that mandates a minimum female representation of 50 per cent on shortlists and interview lists for all roles (except some specified roles where a 25 per cent requirement applies due to a known significant gender imbalance in the job market). After 15 months in operation, we observed that although the proportion of female applicants remained stable at around 30 per cent, female representation on shortlists and in interviews, offers and commencements increased
- we encourage our people to get involved by joining our Brilliant Connected Women network – a forum that now has over 2,000 members, male and female, who are committed to advancing gender equality in our business
- we remain a formally accredited White Ribbon Workplace, recognising our work to help stop violence against women and are a signatory to the UN Women's Empowerment Principles, and

- we recruit, develop, promote and pay our people in a way that supports our commitment to being more diverse and inclusive. Gender pay equity continues to be a key area of focus and we remain vigilant about how we administer and apply policy to avoid any bias in performance assessment and remuneration decisions.

Representation of women in Telstra as at 30 June 2018

Role	Number	%
Board ⁱ	4	40%
Executive management ^{*ii}	64	30.8%
– CEO	0	0%
– CEO-1	5	50%
– CEO-2	14	25%
– CEO-3	45	32%
Middle management ^{*iii}	3,028	29%
Operational ^{*iv}	6,386	32%
Telstra total*	9,488	31%
Telstra Group total**	10,026	29.8%

* Includes full time, part time and casual staff in Telstra Corporation Limited and its wholly owned subsidiaries, excluding contractors and agency staff. It does not include staff in any other controlled entities within the Telstra Group.

** Includes full time, part time and casual staff in controlled entities within the Telstra Group, excluding contractors and agency staff.

Information regarding the controlled entities in the Telstra Group can be found on our website at telstra.com.au/aboutus/investors/financial-information/financial-results

Notes:

i Number and percentage relates to non-executive Directors.

ii Executive management comprises persons holding roles within Telstra designated as Bands A, B and C. CEO is also included in the executive management total.

iii Middle management comprises persons holding roles within Telstra designated as Bands 1 or 2, or equivalent.

iv Operational comprises persons holding roles within Telstra designated as Bands 3 or 4, or equivalent.

During the year, we were named as a 2018 Employer of Choice for Gender Equality by the Australian Government's Workplace Gender Equality Agency (WGEA) for the fourth time. We are required by the Workplace Gender Equality Act 2012 to report our workforce gender profile as at 31 March each year. Our 2018 report was lodged with the WGEA on 31 May 2018 and is available on our website at telstra.com/governance

6.2 Board diversity

For FY18, the Board's diversity objective was that there will be at least four women on the Board, representing a female gender representation among non-executive Directors of at least 40 per cent, recognising that the level of gender diversity of the Board may be temporarily affected during periods of Board renewal. The Board has maintained this objective for FY19.

As at 30 June 2018, there were four female Directors on the Board (including the Chairman of the Audit & Risk Committee), representing a female gender representation among non-executive Directors of 40 per cent.

The Board has a number of initiatives in place to meet its strategic imperative of ensuring the company has a diverse Board and to achieve its Board diversity objective. These initiatives include ensuring a diverse range of qualified candidates is considered for Board appointments and developing a pipeline of potential Board candidates. A number of Directors also participate in programs to assist in the development of a broader pool of skilled and experienced Board candidates, including the Australian Institute of Company Directors (AICD) Chair's Mentoring Program, as well as individual mentoring with executives in the public, private and not for profit sectors.

6.3 Employee diversity and inclusion

During the year, our initiatives to enhance diversity and inclusion at Telstra included:

Indigenous employment

In FY18 we made significant progress toward our 2015-2018 Reconciliation Action Plan employment target of doubling the number of employees who identify as Indigenous at Telstra. To attract and retain more Indigenous employees to Telstra, this year we created 25 Indigenous traineeship and internship opportunities across many business units. This year, we also recruited five new Indigenous graduates representing 3.2 per cent of our total graduate intake. As a provider of the Career Trackers Indigenous internship program, we were proud to be recognised at the 2017 Career Trackers Gala Event, with our Indigenous Employment Co-ordinator awarded the Business Co-ordinator of the Year, and one of our interns named the winner of the Intern Community Spirit Award.

Employment for people with a disability

During FY18, we have hired 13 new employees who identify as living with a disability, and this year we continued to be the largest corporate provider of the Australian Network on Disability Stepping Into internship program, for university students with a disability. We hosted 24 students in FY18, and five have secured ongoing work at Telstra. In our most recent graduate intake 11.7 per cent of those selected identified as living with a disability.

LGBT+ inclusion

Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) inclusion is important to us. We want our people to bring their whole selves to work and to feel comfortable doing so. We have long shown our support for LGBTI inclusion by supporting events like Wear it Purple Day, International day Against Homophobia, Biphobia and Transphobia and the Midsumma queer arts and entertainment festival. Within our business, this year we grew our LGBT+ employees and allies network to over 2,000 members.

6.4 Gender pay equity

Gender pay equity remains a key priority at Telstra as we continue to develop and implement policies and initiatives to drive greater equity across the organisation. We are continuously looking to identify, target and reduce any sizeable gender pay gaps that exist within the organisation.

The below table compares the average salaries across three levels of our Australian based employees, reflecting over 90 per cent of our employee population. The overall pay gap is 7 per cent which is marginally lower than the prior year position, and on a like for like basis the gap is around 2 per cent.

Similar to last year, the larger pay gap exists at the operational level and is predominantly driven by a significant portion of operational employees being managed against fixed pay rates under our Enterprise Agreement. These fixed pay rates, which are typically in male dominated professions, are notably higher when compared to the pay of peers at the same level not aligned to these pay rates. When removing this population on fixed pay rates from the analysis and comparing like for like roles there is no pay gap. This is encouraging as it shows that where discretion can be applied to salaries at our operational level, males and females are paid equitably at this level.

Percentage of Fixed Remuneration (FR) – females to male*

Level	Comparison
Executive Management ⁱ	100%
Middle Management ⁱⁱ	97%
Operational ⁱⁱⁱ	88%
Overall % comparison	93%

* Includes full time and part time staff in Telstra Corporation Limited and its wholly owned subsidiaries, excluding casuals, contractors and agency staff. It does not include staff in any other controlled entities within the Telstra Group. Ratio calculated as base salary plus superannuation (female FR as % of male FR).

Notes:

- i Executive management comprises persons holding roles within Telstra designated as Bands A, B and C. CEO is included in the executive management total.
- ii Middle management comprises persons holding roles within Telstra designated as Bands 1 or 2, or equivalent.
- iii Operational comprise persons holding roles within Telstra designated as Bands 3 or 4, or equivalent.

Other information

This Corporate Governance Statement has been approved by the Board of Telstra Corporation Limited and the information contained in it is current as at 31 August 2018, unless stated otherwise.

This statement, together with our 2018 ASX Appendix 4G (which is a checklist cross-referencing the ASX Recommendations to the relevant disclosures in this statement and our website (our ASX Appendix 4G)), have both been lodged with the ASX on 31 August 2018. This statement and our ASX Appendix 4G can also be found on our governance website at telstra.com/governance

Our 2018 Annual Report has been lodged separately with the ASX on 31 August 2018 and is also available on our website at telstra.com/investor. Our 2018 Bigger Picture Sustainability Report was also released separately on 31 August 2018 and is available at telstra.com/sustainability/report

More information on our governance arrangements, including our Board Charter, standing Board Committee Charters and key policies, can be found on our governance website at www.telstra.com/governance

* The Telstra Values (i.e. "Show you care", "Better together", "Trust each other to deliver", "Make the complex simple", "Find your courage") are registered trade marks of Telstra Corporation Ltd, ABN 33 051 775 556

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Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

Telstra Corporation Limited

ABN / ARBN

33 051 775 556

Financial year ended:

30 June 2018

Our corporate governance statement² for the above period above can be found at:³☐ These pages of our annual report:☒ This URL on our website: telstra.com/governance

The Corporate Governance Statement is accurate and up to date as at 31 August 2018 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 31 August 2018

Name of Director or Secretary authorising lodgement: Sue Laver

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to sections 2.1 and 2.2) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to sections 2.1 and 2.2) <u>AND</u></p> <p><input checked="" type="checkbox"/> in our Board Charter which is available at telstra.com/governance (Governance documents and information section)</p>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.3) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> in each AGM Notice of Meeting (in which all material information relevant to a decision on whether or not to elect or re-elect a director is included)</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.10) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to sections 2.3, 5 and 6) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> is available at telstra.com/governance (Governance documents and information section)</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 6): <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 6.1) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> in our 2018 Report lodged with the Workplace Gender Equality Agency on 31 May 2018 which is available at telstra.com/governance (Governance documents and information section)</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.5) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.5) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.5) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.5) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> in the Remuneration Report (which forms part of the Directors' Report) in the 2018 Telstra Annual Report, which includes details of the remuneration outcomes for the FY18 year for the CEO and senior executives.</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> is available at telstra.com/governance (Governance documents and information section)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> in the Directors' Report (and the accompanying Board of Directors section) in the 2018 Telstra Annual Report</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.4) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> in the Board of Directors section in the 2018 Telstra Annual Report</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.4) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> in the Board of Directors section in the 2018 Telstra Annual Report</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.4) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.2) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.7) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 5.2) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> is available at telstra.com/governance (Governance documents and information section)</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> is available at telstra.com/governance (Governance documents and information section)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> in the Directors' Report (and the accompanying Board of Directors section) in the 2018 Telstra Annual Report</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 4.4) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 4.1) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 5.2) OR AND <input checked="" type="checkbox"/> is available at telstra.com/governance (Governance documents and information section)
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at telstra.com/governance
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 1) OR <input type="checkbox"/> at <i>[insert location]</i>
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 1) OR <input type="checkbox"/> at <i>[insert location]</i>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 1) OR <input type="checkbox"/> at <i>[insert location]</i>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> is available at telstra.com/governance (Governance documents and information section)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> at the Directors' Report (and the accompanying Board of Directors section) in the 2018 Telstra Annual Report</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 4.3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 4.3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 4.2) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Our Material Risks section in the 2018 Telstra Annual Report and in the Bigger Picture 2018 Sustainability Report available at telstra.com/sustainability/report.</p>
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> is available at telstra.com/governance (Governance documents and information section)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) OR AND</p> <p><input checked="" type="checkbox"/> in the Directors' Report (and the accompanying Board of Directors section) in the 2018 Telstra Annual Report</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Remuneration Report (which forms part of the Directors' Report) in the 2018 Telstra Annual Report</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 5.2) OR AND</p> <p><input checked="" type="checkbox"/> is available at telstra.com/governance (Governance documents and information section)</p>