



1 September 2017

The Manager

Market Announcements Office  
Australian Securities Exchange  
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SYDNEY NSW 2000

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MELBOURNE VIC 3000  
AUSTRALIA

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**ELECTRONIC LODGEMENT**

Dear Sir or Madam

**Telstra Corporation Limited – 2017 Notice of Annual General Meeting and Shareholder Voting Form**

In accordance with the Listing Rules, I attach a copy of Telstra's 2017 Notice of Annual General Meeting and Shareholder Voting Form, for release to the market.

Yours faithfully

**Damien Coleman**  
Company Secretary

Telstra Corporation Limited

# 2017 Annual General Meeting

Tuesday 17 October 2017 at 9:30am  
(Melbourne time)

## Melbourne Room

Level 2

Melbourne Convention and Exhibition Centre  
1 Convention Centre Place  
South Wharf, Victoria, 3006



# Conducting Telstra's Annual General Meeting

## Our Annual General Meeting is intended to give shareholders the opportunity to:

- hear presentations from the Chairman and CEO about the operations and performance of the company and the outlook for the year ahead
- consider and vote on the resolutions contained in the Notice of Meeting being the re-election of Directors, the grant of Restricted Shares and Performance Rights to the CEO and the adoption of the Remuneration Report
- ask questions of the Board, management and the auditor generally on the items of business, the management of the company or the conduct of the audit and the auditor's report. The Chairman and CEO will generally answer questions on behalf of the Board and management.

## To help achieve these objectives we will:

- webcast the meeting for the benefit of those shareholders unable to attend in person. Shareholders can view the meeting live at [telstra.com/aggm](http://telstra.com/aggm). The webcast will be recorded and made available to view after the AGM
- enable shareholders to raise questions in writing prior to the meeting, by either completing the enclosed form or online at [vote.linkmarketservices.com/tls](http://vote.linkmarketservices.com/tls). Shareholders asking questions online will need to log in using their SRN/HIN (found on your Voting form) and then select the 'Ask Question' option under the 'Action' column. We may not be able to answer all questions, however we will endeavour to address the more frequently raised shareholder matters during the course of the meeting
- provide a reasonable opportunity for shareholders, as a whole at the meeting, to ask questions of the Board
- make hearing loop facilities available for shareholders with hearing difficulties
- answer shareholders' questions honestly and fairly. If we can't answer a question at the meeting, we will seek to provide a response to the shareholder asking the question after the meeting
- inform shareholders as to the proxy and direct voting position with respect to the resolutions to be considered by the meeting and the manner in which the Chairman of the meeting intends to vote available proxies.

## To help achieve these objectives we ask that shareholders:

- are courteous and respectful to all shareholders and others attending the meeting
- keep their questions and comments to a reasonable length of time to allow as many shareholders as possible who wish to speak at the meeting an opportunity to do so. Generally a maximum of two minutes each time a shareholder addresses the meeting will be appropriate

- confine their questions to the matters before the meeting. If a shareholder's question appears to be more relevant than to shareholders as a whole, we will ask that the shareholder raise the matter with the customer service attendants outside the meeting
- please respect the privacy of individual shareholders attending the meeting and assist in the orderly conduct of the meeting by not taking photographs or audio or video-recordings of the proceedings of the meeting.

## How to get to the AGM

**Venue:** The Melbourne Room is located on level 2 of the Convention Centre (which is part of the Melbourne Convention and Exhibition Centre (MCEC)) marked in red.

**Train**  
The closest train station is Southern Cross. MCEC is approximately a 20 minute walk from the station along Spencer and Clarendon Streets.

**Trams**  
Trams 96, 109 and 12 stop outside the MCEC on Clarendon Street. From the tram stop it is a 5–7 minute walk along the length of the Exhibition Centre to the Convention Centre.

**Taxis**  
Taxis can take you to the main doors of the Convention Centre via Convention Centre Place (next to the Pan Pacific Melbourne South Wharf).

**Parking**  
Various car parking options are available close to the venue. These are marked with a P on the map above. The South Wharf multi level car park is the closest and can be accessed via Convention Centre Place.

**Accessibility**  
The Melbourne Room is situated on Level 2 of the Convention Centre and is accessible by using the two-direction escalators on all levels or the lifts. Ramp access is available into the Centre. Further information is available at [mcec.com.au/about-mcec/accessibility](http://mcec.com.au/about-mcec/accessibility)

# 2017 Annual General Meeting

1 September 2017

Dear Shareholder

I am pleased to invite you to the 2017 Annual General Meeting (AGM) of Telstra Corporation Limited. The 2017 AGM will be held on Tuesday 17 October 2017 at 9:30am (Melbourne time) in the:

**Melbourne Room  
Level 2  
Melbourne Convention and Exhibition Centre  
1 Convention Centre Place  
South Wharf VIC 3006**

To help keep you informed about your company, we have included with our Notice of Meeting some additional information about our business and 2017 highlights. The Notice of Meeting, outlining the items of business which you will be asked to consider at the AGM, commences from page 4.

Shareholders attending the AGM can register from 8:30am at the venue. Information on how to get to the Melbourne Convention and Exhibition Centre appears on the inside cover.

The Telstra Board and senior executives would like to invite shareholders to join them for refreshments prior to the AGM. A light lunch will also be served during the course of the meeting.

Enclosed with this Notice is your Voting form and a Shareholder Question form providing an opportunity for you to ask a question(s) regarding the items of business before the AGM. Frequently asked questions will be addressed by Andrew Penn, Chief Executive Officer or myself at the AGM.

This year we are pleased to offer shareholders who are attending the meeting in person, a new way to lodge their vote using their mobile phone or tablet device. Shareholders can download the LinkVote App from the Apple App Store or Google Play Store and use the app during the meeting to lodge their vote. The LinkVote App is available for download prior to the AGM and there will be share registry and Telstra staff available at the meeting to assist shareholders with any questions they may have on how to use the app.

The AGM will be webcast live at [telstra.com/agm](http://telstra.com/agm) (unmetered for BigPond® customers).

On 17 August we made some important announcements regarding the outcomes of our Capital Allocation Strategy review, including changes to our dividend policy. The CEO and I will address these decisions at the AGM, where you will also have the opportunity to ask questions.

This year Mr Peter Hearl and I will be standing for re-election. The Telstra Board (other than the relevant Director in relation to his own re-election) recommends the re-election of your two serving Directors.

If you are unable to attend the AGM we encourage you to lodge your vote in advance online at [vote.linkmarketservices.com/tls](http://vote.linkmarketservices.com/tls). Alternatively, you may return your Voting form in the envelope provided. For more information on voting, please refer to pages 4 and 5 of this Notice.

Please contact the Telstra Share Registry by email at [telstra@linkmarketservices.com.au](mailto:telstra@linkmarketservices.com.au) or by phone on (+61) 1300 88 66 77 if you have any queries regarding the AGM or your shareholding.

On behalf of my fellow Directors, I look forward to welcoming you to the 2017 AGM.

Yours sincerely



**John Mullen**  
Chairman

## Retail Shareholder Information Meetings

If you are unable to attend the AGM in Melbourne, please refer to the back page for details on our Retail Shareholder Information Meetings.

## Customer service staff at the AGM

Expert staff will be available at the Telstra store located at the AGM venue to answer your customer enquiries before, during and after the AGM.

# Our business

**Our purpose** To create a brilliant connected future for everyone.

**Our vision** To be a world class technology company that empowers people to connect.

**Our brand** To create better ways to empower everyone to thrive in a connected world.

**What we do** Telstra is a leading telecommunications and technology company. We offer a broad suite of connectivity, media and content to customers in Australia, as well as connectivity and enterprise services globally. We curate innovative technologies and capabilities from around the world to deliver exceptional experiences for our customers.

## Who we are



Over 32,000 staff  
in 20 countries



Over 350 Telstra Stores and  
70 Telstra Business Centres

>400,000km  
of subsea cables  
connecting to  
+2,000 points of presence

Mobile network  
covering more than  
2.4 million square kms



More than  
800,000 Telstra  
TVs® in market

Providing AFL, NRL  
and Netball content  
data-free to customers



1.4m  
shareholders

Joint owner of

**FOXTEL**

Australia's largest Pay TV service

## Our customers

460 million calls and  
430 million data connections  
made over our mobile  
network each day

Over 5,000 petabytes of  
data on our fixed network  
and mobile network each  
day, increase of 40%

Nearly two million  
customers activated  
to use more than 1.1 million  
Telstra Air® hotspots

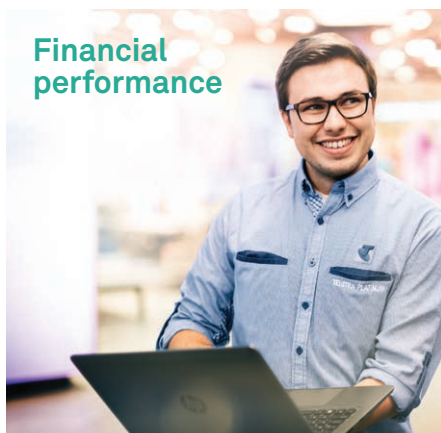
1,176,000 nbn™ connections,  
88% of retail fixed data  
customers on a bundled plan

5.4 million  
retail fixed voice services  
3.5 million  
retail fixed data services

17.5 million domestic  
retail mobile services



# FY17 highlights



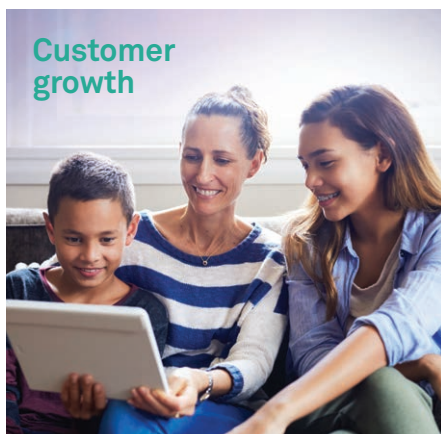
## Financial performance

Total income<sup>1,2</sup> up by 4.3% to \$28.2 billion

Net profit after tax from continuing operations up by 1.1% to \$3.9 billion

\$5.2 billion returned to shareholders via dividends and share buy-backs

FY17 total dividend of 31 cents per share



## Customer growth

Episode Net Promoter Score (NPS) up by 3 points on last year

Strategic Net Promoter Score (NPS) stable on last year

218,000 additional domestic mobile customers

nbn market share (ex-satellite) of 52%

Recognised as Australia's most valuable brand, 78th most valuable globally



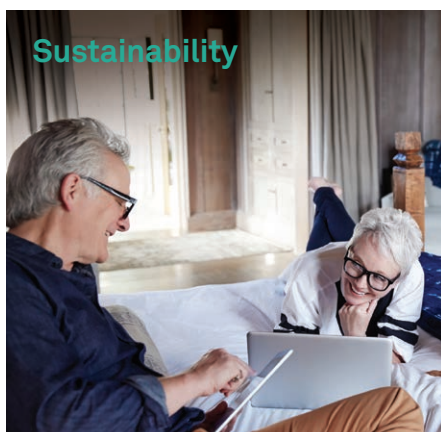
## World class technology

Launch of world-leading 1Gbps Nighthawk M1 mobile hotspot

Exclusive launch of the first Pixel smartphone as a partner of Google

4G mobile network now reaches 99% of the Australian population

Launch of Telstra Smart Home



## Sustainability

Sustainable engagement score of 71% in Employee Engagement Survey

68% reduction in greenhouse gas emissions intensity from our baseline year

Helped more than 1 million vulnerable customers stay connected

1. On a reported and guidance basis.  
2. Total income excludes finance income.

# Telstra Notice of Meeting 2017

## Items of Business

### 1. Chairman and CEO Presentations

### 2. Discussion of Financial Statements and Reports

To discuss the company's financial statements and reports for the year ended 30 June 2017.

### 3. Re-Election of Directors

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

- a) 'That Mr Peter Hearl, being eligible, be re-elected as a Director'; and
- b) 'That Mr John Mullen, being eligible, be re-elected as a Director'.

### 4. Allocation of Equity to the CEO

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

'That approval be given for all purposes, for the grant to the Chief Executive Officer, Mr Andrew Penn, of Restricted Shares and Performance Rights under the Telstra FY18 Executive Variable Remuneration Plan, on the terms summarised in the Explanatory Notes.'

### 5. Remuneration Report

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

'That the Remuneration Report for the year ended 30 June 2017 be adopted.'

## Additional information

Please refer to the Explanatory Notes on pages 6 to 9 for more information on items 2, 3, 4, and 5. These Explanatory Notes form part of this Notice of Meeting.

## Voting

In the interests of representing the views of as many shareholders as possible, the Chairman of the meeting intends to call a poll in relation to items 3, 4 and 5.

The ways in which you can vote are outlined below. Please refer to the table on page 5 for the voting deadlines.

### Voting online

We encourage you to lodge your vote online at [vote.linkmarketservices.com/tls](http://vote.linkmarketservices.com/tls). To log in you will need your holder number and the postcode for your shareholding. These can be found on the top right hand corner of your Voting form.

### Voting at the meeting – using the LinkVote App

Shareholders attending the AGM in person can lodge their vote during the meeting using their mobile phone or tablet device.

The LinkVote App is available for download from the Apple App Store or Google Play Store prior to the AGM. There will be share registry and Telstra staff available at the meeting to assist shareholders with any questions they may have on how to use the app. Paper voting cards will continue to be available at the AGM for shareholders who prefer not to use the app.

### Voting form

Enclosed with this Notice of Meeting is a personalised Voting form. If you do not wish to vote online and will not be attending the meeting, you can use this form to lodge your vote directly, or appoint a proxy or nominee to vote on your behalf.

Voting forms are colour coded (refer to the table on page 5). If you hold Telstra shares in more than one capacity, please be sure to complete the Voting form that is relevant to each holding.

The Blue Voting form can be used to either vote your shares directly (Section A) or appoint a proxy to vote on your behalf (Section B). The Green Nominee form (sent to Telstra ESOP 99 Participants) can be used to appoint a nominee to vote on your behalf (Section A).

### Direct voting

By completing Section A of the Blue Voting form, you are voting your shares directly and are not appointing a third party, such as a proxy, to act on your behalf. You should complete your voting directions by selecting 'for' or 'against' for each item on the Voting form. Do not complete the 'abstain' box if you are voting directly as it will result in an invalid vote. If no direction is given on an item, or if Section A and Section B are both completed on the Voting form, your vote may be passed to the Chairman of the meeting as your proxy.

### Appointing proxies or nominees

Shareholders, Telstra ESOP 99 Participants and Participants in eligible employee share plans (such as the Telstra DirectShare, STI Deferral Plan and the Employee Share Plan), who are entitled to attend and vote at the AGM, may appoint a proxy (in the case of a shareholder) or a nominee (in the case of a Participant) to act generally at the meeting on their behalf, and to vote.

Complete Section B of the Blue Voting form or Section A of the Green Nominee form to appoint your proxy or your nominee.

You should complete your voting directions by selecting 'for' or 'against' for each item on the Voting or Nominee form. If no direction is given, the proxy or nominee may vote as they see fit, subject to any voting restrictions applicable to the proxy or nominee. A proxy or nominee need not be a shareholder of the company.

A shareholder or Participant entitled to attend and vote can appoint two proxies or nominees as appropriate, and should specify the proportion or number of votes each proxy or nominee is appointed to exercise. If no proportion or number is specified, each proxy or nominee may exercise half of the shareholder's or Participant's votes. If you wish to appoint two proxies or two nominees, please call (+61) 1300 88 66 77 and request an additional Voting or Nominee form.

A corporate shareholder or proxy must appoint a person as its corporate representative (see the Voting form for further information).

### Appointing the Chairman as your proxy or nominee

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

If you direct the Chairman of the meeting how to vote on an item of business, your vote will be cast in accordance with your direction. If you do not direct the Chairman of the meeting how to vote on an item of business, or the Chairman of the meeting becomes your proxy by default, then by completing and returning the relevant Voting form you will be expressly authorising the Chairman of the meeting to exercise your undirected proxy or nominee on a resolution as he/she sees fit even though it may be directly or indirectly connected with the remuneration of a member of the Key Management Personnel (KMP).

More information on lodging your vote can be found on the back of the relevant Voting or Nominee form enclosed with this Notice of Meeting.

### KMP voting restrictions

Under the Corporations Act, voting restrictions apply to the company's KMP and their closely related parties for items 4 and 5. The term "closely related party" in relation to a member of KMP includes a spouse, dependent and certain other close family members, as well as any companies controlled by the KMP. In addition, voting exclusions apply in respect of item 4 as outlined in the ASX Listing Rules. Please refer to the Explanatory Notes for more details.

### AGM online webcast

Shareholders can view a live webcast of the AGM online at [telstra.com/agma](http://telstra.com/agma) (unmetered for BigPond® customers) from 9:30am (Melbourne time) on Tuesday 17 October 2017. The webcast will be recorded and made available to view after the AGM.

### 2017 Annual Report

The 2017 Annual Report is available for shareholders on our investor website [telstra.com/annualreport](http://telstra.com/annualreport). If you would like to receive a hard copy of the 2017 Annual Report, at no charge, please contact the Telstra Share Registry by email at [telstra@linkmarketservices.com.au](mailto:telstra@linkmarketservices.com.au) or by phone on (+61) 1300 88 66 77. Shareholders who have previously elected to receive a hard copy of the 2017 Annual Report will receive it separately in the mail.

### Contact details

You can lodge your vote electronically, by facsimile, by hand or by mail to the Telstra Share Registry whose details are listed below.

If you have any questions about this Notice or the relevant Voting form please contact:

#### Telstra Share Registry (Australia)

Link Market Services Limited  
Level 12, 680 George Street,  
Sydney NSW 2000 Australia

Telephone: +61 1300 88 66 77

Facsimile: +61 2 9287 0309

#### Telstra Share Registry (New Zealand)

Link Market Services Limited  
Level 11, Deloitte Centre, 80 Queen Street,  
Auckland 1010, New Zealand

Telephone: (within NZ) 0800 835 787

All Other: +64 (9) 375 5998

Facsimile: +64 (9) 375 5990

By order of the Board of Directors



Damien Coleman  
Company Secretary

1 September 2017

## How to vote and voting deadlines

Investor	Right to vote and attend the AGM or view the proceedings	Lodging your vote	Deadline to lodge your vote*
Shareholders	Shareholders registered as at 9:30am (Melbourne time) on Sunday 15 October 2017.	To vote online, see instructions above <b>or</b> use the Blue Voting form to either vote directly (Section A) <b>or</b> appoint a proxy (Section B).	9:30am (Melbourne time) on Sunday 15 October 2017.
Telstra ESOP 99 Participants	Telstra ESOP 99 Participants registered at 5:00pm (Melbourne time) on Thursday 12 October 2017.	To vote online, see instructions above <b>or</b> use the Green Nominee form to appoint a Nominee (Section A).	5:00pm (Melbourne time) on Thursday 12 October 2017.
Participants of other eligible Telstra Employee Share Plans	Participants registered at 5:00pm (Melbourne time) on Thursday 12 October 2017.	Participants may only lodge their votes online at <a href="http://vote.linkmarketservices.com/tls">vote.linkmarketservices.com/tls</a> Please refer to your AGM email notification from Telstra.	5:00pm (Melbourne time) on Thursday 12 October 2017.

\* To be effective your completed documents must be received by the Share Registry no later than the time and date noted in the table.



# Notice of Meeting – Explanatory Notes

## Item 2 – Discussion of Financial Statements and Reports

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

## Item 3 – Re-Election of Directors

Mr Peter Hearl and Mr John Mullen, Directors, will retire in accordance with the provisions of the Constitution and, being eligible, offer themselves for re-election.

Mr Peter Hearl and Mr John Mullen are independent non-executive Directors and their relevant skills and experience are summarised below.

To be successfully re-elected as a Director, a candidate must receive more votes cast 'for' than 'against'.

### Peter Hearl

Age 66

B Com (UNSW), FAICD, MAIM, GAICD, Member – AMA

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

Mr Hearl is an experienced company director with substantial international experience as a senior executive in the fast moving consumer goods sector. Mr Hearl served in senior executive roles with Yum! Brands Inc from 1997 to 2008, including Chief Operating and Development Officer for Yum! Brands globally from 2006 until 2008. He previously worked for PepsiCo Inc in Sydney and London reaching regional vice-president level, as well as in various roles with Exxon in the United States and Australia.

### Directorships of listed companies (past three years) and other directorships/appointments:

Director, Santos Ltd (from 2016), Treasury Wine Estates (from 2012) and Goodman Fielder Ltd (2010–2015). Other: Member, UNSW's Australian School of Business Alumni Leaders Group and previously honorary Chairman of the US-based UNSW Study Abroad-Friends and US Alumni Inc.

### John Mullen

Age 62

BSc

Non-executive Director since July 2008, Chairman effective 27 April 2016 and last re-elected in 2014. Chairman of the Nomination Committee and previously Chairman of the Remuneration Committee (2009–2016).

Mr Mullen has extensive international transportation and logistics experience with more than two decades in senior positions with multinationals including most recently as Managing Director and Chief Executive Officer of Asciano Ltd from 2011 to 2016. His experience includes 10 years with the TNT Group – two years of those as its Chief Operating Officer. From 1991 to 1994, he held the position of Chief Executive Officer of TNT Express Worldwide based in Europe. Mr Mullen was with the Deutsche Post DHL Group for 15 years from 1994, becoming Chief Executive Officer of DHL Express Asia Pacific in 2002, Chief Executive Officer of DHL USA and joint Chief Executive Officer DHL Express in 2005, and Global Chief Executive Officer, DHL Express, from 2006 to 2009. Mr Mullen is currently Chairman of Toll Group, a transport and logistics company owned by Japan Post.

### Directorships of listed companies (past three years) and other directorships/appointments:

Director, Brookfield Infrastructure Partners L.P (from 2017), Asciano Ltd (2011–2016). Other: Chairman, Toll Group (from 2016). Chair, Australian National Maritime Foundation (from 2015) and Councillor, Australian National Maritime Museum (from 2016). Director Kimberley Foundation Australia Limited (from 2016). Member, Australian Graduate School of Management (from 2005).

### Board recommendation

The Board (other than the relevant Director in relation to his own re-election) recommends the re-election of Mr Peter Hearl and Mr John Mullen. The Chairman of the meeting intends to vote all available proxies in favour of the re-election of Mr Peter Hearl and Mr John Mullen.

## Item 4 – Allocation of Equity to the CEO

The Board has reviewed the current CEO and Group Executive remuneration structures, in particular the current long-term incentive plan structure. A new Executive Variable Remuneration Plan (EVP) will be implemented for FY18 which combines our existing short-term and long-term incentive arrangements into a simplified variable incentive that drives performance against customer experience and financial metrics, creating long-term shareholder value. There is no change to the maximum opportunity that the CEO can earn. Further information can be found in our Remuneration Report.

Shareholder approval is sought for the proposed grant of Restricted Shares and Performance Rights to the CEO, Andrew Penn, under the Telstra FY18 EVP (Plan) on the terms set out below. The Plan represents both short term and long term incentive components of the CEO's remuneration package and includes the opportunity to earn cash, Restricted Shares and Performance Rights.

The Board (other than Andrew Penn) has approved the grant of Restricted Shares and Performance Rights to the CEO representing the equity portion of his at risk remuneration for FY18, subject to shareholder approval at the meeting.

### Plan Terms and Conditions

The CEO's "at target" opportunity under the Plan is 200% of his fixed remuneration as at 30 June 2018. The amount earned by the CEO will be determined at the end of a one year performance period (1 July 2017 – 30 June 2018) based on his performance against the measures outlined below. At the end of that year, the CEO's performance will be tested, the amount earned will be determined (EVP outcome), and that amount will be provided 35% in cash, 26% in Restricted Shares and 39% in Performance Rights.

The cash component will be paid on or around September 2018. If shareholder approval is obtained, it is anticipated that the Restricted Shares and Performance Rights will be allocated to the CEO shortly after the 2018 AGM and, in any event, no later than 3 years after the date of the 2017 meeting.

Each Restricted Share entitles the CEO to one fully paid ordinary Telstra share. Half of the Restricted Shares will be subject to a restriction period ending 30 June 2019 and the other half subject to a restriction period ending 30 June 2020. During the applicable restriction period the CEO is prevented from trading or disposing of the Restricted Shares allocated.

The CEO will receive dividends on, and have voting rights in relation to, Restricted Shares during the applicable restriction period.

Each Performance Right entitles the CEO to one fully paid ordinary Telstra share, subject to the satisfaction of a relative total shareholder return (RTSR) measure. The Performance Rights will be allocated in two tranches. Half of the Performance Rights will be tested at the end of a four year performance period from 1 July 2017 to 30 June 2021. The other half of the Performance Rights will be tested at the end of a five year performance period from 1 July 2017 to 30 June 2022.

If the RTSR measure is achieved over the relevant performance period, all of the Performance Rights in that tranche will vest and the CEO will be allocated the equivalent number of Telstra shares. The CEO has no legal or beneficial interest in Telstra shares, no entitlement to receive dividends and no voting rights in relation to the Performance Rights during the period between allocation and vesting of the Performance Rights. However, for Performance Rights that vest, the CEO will receive a cash payment at or around the time of vesting equivalent to the value of the dividends paid by Telstra during the period between allocation and vesting, subject to applicable taxation.

If the RTSR measure is not achieved over the relevant performance period, none of the Performance Rights in that tranche will vest, no shares will be allocated to the CEO and no dividend equivalent payment will be made for that tranche of Performance Rights.

Restricted Shares and shares allocated to the CEO on vesting of the Performance Rights will be purchased on market and will rank equally with other Telstra shares.

As the Performance Rights and Restricted Shares form part of the short term and long term incentive in the CEO's remuneration package, they will be granted at no cost to the CEO and no amount is payable by the CEO on vesting of the Performance Rights. The Performance Rights and Restricted Shares will be granted under, and subject to, the Plan rules.

### Performance Measures

The CEO's EVP outcome, as a percentage of his "at target opportunity", will be determined based on the CEO's performance against the following performance measures over the FY18 one year performance period:

- half of the grant will be subject to **financial measures**, being: Total Income (10%), EBITDA (20%) and free cash flow (FCF for STI) (20%);
- 40% of the grant will be subject to **customer measures**, being: strategic NPS (20%) and episode NPS (20%); and
- 10% of the grant will be subject to **individual measures** based on key individual strategic and operational measures.

Please refer to pages 66 to 67 of our FY17 Annual Report for details of how Total Income, EBITDA and FCF for STI are calculated and further information about NPS.

Further terms of the Plan are outlined below:

<p><b>CEO opportunity</b></p>	<p>The “at target” opportunity for the CEO under the Plan is 200% of his fixed remuneration as at 30 June 2018. This is equivalent to the sum of the 100% “at target” STI opportunity and 100% “at target” LTI opportunity that have been part of the CEO’s remuneration package for FY17 and prior years.</p> <p>The maximum opportunity for the CEO under the Plan is 400% of his fixed remuneration as at 30 June 2018. This is equivalent to the 200% “maximum” STI plus the 200% “maximum” LTI opportunities which were previously part of the CEO’s remuneration package.</p> <p>If Performance Rights vest, the CEO may also receive a cash payment equivalent to the dividends paid during the period between allocation and vesting as explained below.</p>
<p><b>Allocation of equity methodology</b></p>	<p>The number of Restricted Shares and Performance Rights to be allocated will be based on the dollar value of the CEO’s EVP outcome, multiplied by 26% for Restricted Shares and 39% for Performance Rights, and then divided by the five day volume weighted average share price (VWAP) of Telstra shares commencing on the day after the FY18 results announcement.</p> <p>By way of example:</p> <ul style="list-style-type: none"> <li>• the CEO’s fixed remuneration as at 30 June 2018 is \$2,390,000. His “at target” FY18 EVP opportunity is \$4,780,000</li> <li>• if, during the FY18 one year performance period, Telstra/the CEO achieves a 100% EVP outcome when the performance measures are tested, the value of the CEO’s EVP outcome would be \$4,780,000 (\$4,780,000 x 100%)</li> <li>• 35% of the EVP outcome would be provided in cash (\$1,673,000)</li> <li>• 26% of the EVP outcome would be provided in Restricted Shares (\$1,242,800)</li> <li>• 39% of the EVP outcome would be provided in Performance Rights (\$1,864,200)</li> <li>• if the 5 day VWAP commencing on the day after the FY18 results announcement was \$4.00, then the CEO would be allocated 310,700 Restricted Shares and 466,050 Performance Rights.</li> </ul>
<p><b>Restriction period – Restricted Shares</b></p>	<p>The Restricted Shares will be allocated in two tranches. Half of the Restricted Shares will be subject to a restriction period ending 30 June 2019 (one year after the end of the performance period). The other half of the Restricted Shares will be subject to a restriction period ending 30 June 2020 (two years after the end of the performance period). The CEO will receive dividends on, and have voting rights in relation to, Restricted Shares allocated during the restriction periods. During the applicable restriction period the CEO is prevented from trading or disposing of the Restricted Shares.</p>
<p><b>Performance period – Performance Rights</b></p>	<p>The Performance Rights will be allocated in two tranches. Half of the Performance Rights will be tested at the end of a four year performance period from 1 July 2017 to 30 June 2021. The other half of the Performance Rights will be tested at the end of a five year performance period from 1 July 2017 to 30 June 2022.</p> <p>The Performance Rights will only vest into Telstra ordinary shares if Telstra’s RTSR ranks at the 50th percentile or greater against a comparator group comprising the ASX100 (excluding resource companies) over the relevant performance period. Telstra measures the RTSR percentile ranking to two decimal places and rounds up to the nearest whole number if the two decimal places are .50 or above and rounds down to the nearest whole number if the two decimal places are below .50.</p> <p>If the RTSR gateway measure is not satisfied over the relevant performance period, all of the Performance Rights in that tranche will lapse.</p> <p>Therefore the CEO’s Performance Rights will be subject to two sets of performance measures: the first tested over a one year performance period and the second RTSR measure tested on each tranche over a four or five year performance period.</p> <p>No dividends will be paid on the Performance Rights prior to vesting. However, for Performance Rights that vest, a cash payment will be made to the CEO equivalent to the dividends paid by Telstra during the period between allocation of the Performance Rights and vesting, subject to applicable taxation.</p> <p>The CEO is unable to deal with any Performance Rights granted to him.</p>

**Treatment on Cessation of Employment**

In the event of cessation of employment for reasons of redundancy, death, total and permanent disablement, certain medical conditions, retirement, separation by mutual agreement or Telstra initiated separation for a reason unrelated to performance or conduct:

- Restricted Shares that have been allocated will be retained by the CEO and remain subject to the original applicable restriction period; and
- Performance Rights that have been allocated will be retained by the CEO and remain subject to the original applicable performance period and satisfaction of the RTSR measure.

If the CEO ceases employment for any other reason prior to the end of the performance or restriction periods, any unvested Performance Rights lapse and any Restricted Shares are forfeited.

The Board has discretion to determine that unvested Performance Rights do not lapse and Restricted Shares are not forfeited. The Board also has discretion, in certain circumstances, to accelerate the end date of the restriction period for the release of Restricted Shares and to accelerate vesting of Performance Rights.

**Clawback**

The Board has discretion to claw back Performance Rights and Restricted Shares if certain clawback events occur (including if the CEO has engaged in fraud, dishonesty or gross misconduct, if the financial results that led to the Performance Rights or Restricted Shares being awarded are subsequently shown to be materially misstated or if the Board determines that the Performance Rights or Restricted Shares are an inappropriate benefit).

**Change of Control**

In certain limited circumstances, such as a takeover event where 50% or more of all issued fully paid shares in Telstra are acquired, the Board may exercise discretion to vest Performance Rights and remove the restriction on Restricted Shares.

## Outcome if shareholder approval is not obtained

If shareholder approval for the CEO's FY18 EVP grant is not obtained, Telstra will provide the Restricted Shares and Performance Rights component of the CEO's EVP outcome in cash. The outcome will be determined by applying the same performance hurdles as are proposed in relation to the EVP, and payments made at the same times as the three components of the EVP would have been paid, released from restriction or vested (35% of the outcome on or around September 2018, 13% of the outcome following each of the FY19 and the FY20 results announcements and, subject to satisfying the RTSR measure described above, 19.5% of the outcome following each of the FY21 and FY22 results announcements).

## Other Information

In relation to the Plan:

- the CEO is the only Director entitled to participate in the Plan;
- this is the only grant to the CEO under the Plan;
- there is no loan scheme in relation to the Performance Rights or Restricted Shares;
- the CEO is prohibited from hedging the share price exposure in respect of Performance Rights and Restricted Shares;
- the CEO requires Board (or, in certain circumstances, the Chairman's) approval to sell shares if he has not met the requirements of Telstra's Executive Share Ownership policy;
- if shareholder approval is obtained, details of any cash, Restricted Shares and Performance Rights granted to the CEO under the Plan will be provided in the Remuneration Report for the year in which they are provided;
- Telstra is seeking shareholder approval voluntarily in accordance with good corporate governance. The terms fall within the exception to ASX Listing Rule 10.14 set out in Listing Rule 10.15B;
- any additional Directors (or their associates) who become entitled to participate in the Plan after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained.

## Voting Exclusion Statement

The company will disregard any votes cast on item 4:

- by or on behalf of the CEO and any of his associates, in any capacity; and
- as a proxy by a person who is a member of the company's KMP at the date of the meeting or their closely related parties;

unless the vote is cast as proxy for a person entitled to vote on item 4:

- in accordance with a direction on the Voting form; or
- by the Chairman of the meeting and the Chairman has received express authority in the Voting form to vote undirected proxies as the Chairman sees fit even though item 4 is connected with the remuneration of the KMP.

### Board recommendation

The Board (other than Mr Andrew Penn) considers the grant of Restricted Shares and Performance Rights to the CEO under the Plan to be appropriate in all the circumstances and recommends that shareholders vote in favour of item 4. The Chairman of the meeting intends to vote all available proxies in favour of the grant to the CEO.

## Item 5 – Remuneration Report

The 2017 Remuneration Report contains information regarding:

- our remuneration policy and strategy;
- the structure of non-executive Director, CEO and certain senior executive remuneration arrangements, and how we seek to align senior executive remuneration with company performance; and
- the remuneration of non-executive Directors, the CEO and certain senior executives for the year ended 30 June 2017.

The 2017 Remuneration Report can be found on pages 44 to 67 of the 2017 Annual Report.

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

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

## Voting Exclusion Statement

The company will disregard any votes cast on item 5:

- by or on behalf of a member of the KMP whose remuneration is disclosed in the Remuneration Report for the year ended 30 June 2017 (and their closely related parties) in any capacity; and
- as proxy by a person who is a member of the KMP at the date of the meeting (and their closely related parties);

unless the vote is cast as proxy for a person entitled to vote on item 5:

- in accordance with a direction on the Voting form; or
- by the Chairman of the meeting and the Chairman has received express authority in the Voting form to vote undirected proxies as the Chairman sees fit even though item 5 is connected with the remuneration of the KMP.

### Board recommendation

The Board recommends that shareholders vote in favour of item 5. The Chairman of the meeting intends to vote all available proxies in favour of the adoption of the Remuneration Report.

# Retail Shareholder Information Meetings

Telstra is pleased to invite you to the 2017 Retail Shareholder Information Meeting series where management will provide an overview of the full year results, an update on the business and shareholders will have the opportunity to ask questions of management. Please read below for details on how to register.

Date	Local Time	Location	Presenters
18 September 2017	2:00pm–4:00pm	Wesley Conference Centre 220 Pitt Street <b>Sydney</b>	Andrew Penn, Chief Executive Officer  Warwick Bray, Chief Financial Officer
19 September 2017	10:30am–12:30pm	Hilton Hotel 190 Elizabeth Street <b>Brisbane</b>	Warwick Bray, Chief Financial Officer  Carmel Mulhern, Group General Counsel
20 September 2017	10:30am–12:30pm	Crowne Plaza 16 Hindmarsh Square <b>Adelaide</b>	Will Irving, Group Executive, Telstra Wholesale  Ewen Stafford, Deputy Chief Financial Officer
22 September 2017	10:30am–12:30pm	Parmelia Hilton Hotel 14 Mill Street <b>Perth</b>	Brendon Riley, Group Executive, Telstra Enterprise  Janet Barnes, Director, Telstra CountryWide

If you're unable to attend in person, the Retail Shareholder Information Meeting held in Sydney on Monday 18 September 2017 will be webcast live online from 2:00pm (Sydney time) at [telstra.com.au/shareholdermeetings](http://telstra.com.au/shareholdermeetings). There is no need to register for the online webcast.

**To register for a Retail Shareholder Information Meeting, please contact our Investor Relations team as follows:**

☎ 1800 131 011

✉ [shareholder.meetings@team.telstra.com](mailto:shareholder.meetings@team.telstra.com)

🌐 [telstra.com.au/shareholdermeetings](http://telstra.com.au/shareholdermeetings)

🌐 [telstra.com/agm](http://telstra.com/agm)







T: Australia 1300 88 66 77  
Overseas +61 1300 88 66 77  
E: telstra@linkmarketservices.com.au  
W: www.linkmarketservices.com.au/telstra

Telstra Share Registrar  
C/- Link Market Services Limited  
PO Box A942  
SYDNEY SOUTH NSW 1234

Your Shareholder Reference Number is:

To update your details go online to  
www.linkmarketservices.com.au/telstra

## SHAREHOLDER VOTING FORM

I/We being a member(s) of Telstra Corporation Limited and entitled to attend and vote hereby:

<b>A</b>	<b>VOTE DIRECTLY</b>	<b>B</b>	<b>APPOINT A PROXY</b>
<p>To cast your own votes directly, please complete Sections A, C and D.</p>		<p>To appoint a proxy and direct them how to vote on your behalf, please complete Sections B, C and D OR to appoint the Chairman of the meeting to act as your proxy and vote on all resolutions, please tick the box in Section B and sign at Section D.</p>	
<p><input type="checkbox"/> elect to lodge my/our vote(s) directly (mark box) in relation to the Annual General Meeting of the Company to be held at 9.30am (Melbourne time) on Tuesday 17 October 2017 and at any adjournment or postponement of the meeting.</p> <p>You should mark either "for" or "against" for each item in Section C.</p> <p>Do not mark the "abstain" box.</p>		<p><input type="checkbox"/> appoint the Chairman of the meeting (mark box)</p> <p>OR if you are NOT appointing the Chairman of the meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div> <p>or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the meeting, as my/our proxy to act generally and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 9.30am (Melbourne time) on Tuesday 17 October 2017 and at any adjournment/postponement of the meeting.</p> <p><b>Important note: Exercise of proxies by the Chairman for items 4 and 5.</b></p> <p>Where I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the meeting to exercise my/our proxy in respect of items 4 and 5 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the meeting may exercise my/our proxy even though items 4 and 5 are connected directly or indirectly with the remuneration of a member of Key Management Personnel.</p>	

The Chairman of the meeting intends to vote all available proxies in favour of each item. Direct votes or proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting, being 9.30am (Melbourne time) on Sunday 15 October 2017.

### C YOUR VOTING INSTRUCTIONS

Item 3: Re-election of Directors	For	Against	Proxy only Abstain*	Item 4: Allocation of equity to the CEO	For	Against	Proxy only Abstain*
(a) Mr Peter Hearl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 5: Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Mr John Mullen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you are voting under Section B and you mark the abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in calculating the required majority if a poll is called.

### D SIGNATURE OF SHAREHOLDER(S)

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (delete one)	Director

To be valid this form must be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the shareholder's constitution and the Corporations Act 2001 (Cth).



## FURTHER INFORMATION ON VOTING

### Voting under Section A – Direct Voting:

If you mark the box in Section A you are voting directly. You should clearly mark the boxes in Section C to indicate your voting instruction for each item. Please only mark either “for” or “against” for each item. **Do not mark the “abstain” box.**

If no direction is given on an item, or if you complete both the boxes in Sections A and B, your vote may be passed to the Chairman of the meeting as your proxy. If you mark the “abstain” box for an item, your vote for that item will be invalid.

Shareholders, custodians and nominees may identify on the Voting form the total number of votes in each of the categories “for” and “against”. The Chairman’s decision as to whether a direct vote is valid is conclusive.

### Voting under Section B - Appointing a Proxy:

If you mark the box in Section B you are appointing a person/body corporate who can attend as your proxy. To direct your proxy how to vote, you should clearly mark the boxes in Section C to indicate your voting instruction for each item.

**Appointment of proxy:** Insert the name of the person/body corporate you wish to appoint as your proxy where indicated. You cannot appoint yourself. A proxy need not be a member of the Company. If you lodge a form and do not appoint someone else, the Chairman of the meeting will act as your proxy by default.

**Appointment of a second proxy:** You are entitled to appoint up to two proxies. A separate Voting form should be used for each proxy. If you appoint a second proxy, you should state the proportion of your voting rights, or number of votes given to each proxy appointed, by clearly writing the proportion or number of votes to be exercised on the front of each form. If the appointment does not specify the proportion or number of your votes each proxy may exercise, each proxy may exercise half the votes. If you appoint two proxies, they can only vote on a poll in accordance with the number or proportion of votes allocated to them. Where two proxies are appointed, neither is entitled to vote on a show of hands. You can obtain an additional Voting form by telephoning **1300 88 66 77**.

### Votes on items of business:

Shareholders, custodians and nominees may identify on the Voting form the total number of votes in each of the categories “for”, “against” and “abstain”.

If you are intending to appoint the Chairman of the meeting as your proxy and wish to direct them how to vote you should mark the boxes at Section C.

If you have appointed the Chairman of the meeting as your proxy and have not directed them how to vote, by signing and returning this Voting form you will have provided the Chairman of the meeting express authority to vote your undirected proxy in accordance with the voting intentions set out in the Notice of Meeting and on this form.

If you intend to appoint a member of the Key Management Personnel (other than the Chairman) or one of their closely related parties, or an associate of the CEO, as your proxy, please ensure that you direct them how to vote on items 4 and 5, otherwise they may not be able to cast a vote as your proxy on those items.

If a shareholder’s appointed proxy does not attend the meeting, then the proxy appointment will automatically default to the Chairman of the meeting. In addition, any directed proxy appointments that are not voted on a poll at the meeting by a shareholder’s appointed proxy will automatically default to the Chairman of the meeting, who is required to exercise the relevant votes as directed on the poll (subject to any applicable voting exclusions).

### Voting exclusions items 4 and 5:

Voting exclusions apply to items 4 and 5 as set out in the Notice of Meeting.

**The Chairman of the meeting intends to vote all available proxies in favour of each item.**

### Voting by corporate representative:

Any corporate shareholder or proxy must appoint a person to act as its representative. When attending the meeting, the representative must bring a formal notice of appointment, signed as required by section 127 of the Corporations Act or the shareholder’s Constitution.

### Lodgement of Votes:

You may lodge your direct or proxy vote online at the Telstra Share Registry website [vote.linkmarketservices.com/tls](http://vote.linkmarketservices.com/tls). If you lodge your vote online you will not need to return your Voting form by mail or fax. Alternatively an envelope is provided for the return of the completed hard copy Voting form (and any relevant authorities), or you may fax the completed form (and any relevant authorities) to **+61 (2) 9287 0309**.

### Deadline for Receipt:

To be effective, the completed documents must be received by the Company no later than **9.30am (Melbourne time) on Sunday 15 October 2017:**

#### by hand:

Telstra Share Registrar  
Link Market Services Limited  
Level 12, 680 George Street  
SYDNEY NSW 2000

#### by mail:

Telstra Share Registrar  
Link Market Services Limited  
PO Box A942  
SYDNEY SOUTH NSW 1234

#### online:

[vote.linkmarketservices.com/tls](http://vote.linkmarketservices.com/tls)

#### by fax:

+61 (2) 9287 0309

### Further information:

If you require further information on how to complete this form please telephone 1300 88 66 77.

**If you would like to attend and vote at the AGM, please bring this form with you as it will assist in registering your attendance.**

### Respecting your privacy:

As a Telstra shareholder, Chapter 2C of the Corporations Act 2001 (Cwlth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra’s public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the Privacy Act 1988 (Cwlth). Your information is collected by Link Market Services Limited (“Link”) on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra’s contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia unless required by law. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for information about how you can access and correct your personal information and raise privacy concerns.