

Company: Telstra Group Limited

Date: 13 October 2026

Time: 09:30AM AEDT

[START OF TRANSCRIPT]

Nathan Burley: Good morning, shareholders. I'm Nathan Burley, Telstra's Head of Investor Relations, and it's my pleasure to be your MC today for today's Annual General Meeting. Before we begin formal proceedings, please welcome to the stage Peta Strachan, Darug cultural leader to deliver the Welcome to Country.

Peta Strachan: [Spoken in Darug language] Good morning, everyone. It's so lovely to be here today to welcome you all to country. It's always a privilege and a pleasure. [Spoken in Darug language]. Acknowledging Father Sky, Mother Earth and those who've walked before us, our bloodlines, our ancestors. [Spoken in Darug language]. Hello and a warm welcome to the Gadigal clan lands of the Darug Nation. We gather on country today, the land of my ancestors. I pay my respects to Elders past, present, future, special guests here today, to all our First Nations brothers and sisters, and wherever you have come from around the world, welcome.

My name is Peta Strachan, Artistic Director of Jannawi Dance Clan. Jannawi is all about the continuation and revitalisation of Darug language, story, song, and dance. I'm a mother of five, and a grandmother of four, and a proud Darug woman. Wishing you all a safe passage and stay on Gadigal country. [Spoken in Darug language]. Calling in the good spirit, calling in the good dreaming. [Spoken in Darug language]. Love Country. Always was and always will be Aboriginal land. Sovereignty never ceded. [Spoken in Darug language]. Hope you all have a wonderful day. Thank you.

Nathan Burley: Thank you, Peta. Welcome to everyone here in the ballroom and to those joining us via the live webcast. Before we get underway, I have a few housekeeping matters to cover. For those in the room, a light lunch will be served around 11:30. If the meeting is still underway, we'll continue without a lunch adjournment. Please do not bring any food back into the meeting room.

When you registered this morning, you would have received a coloured card. Yellow cards are for shareholders who may speak and vote. Blue cards are for shareholders who may speak but not vote. Please keep your card with you as you'll need it to ask a question or re-enter the meeting. The screen behind me shows instructions for completing your voting card. If you need help, please speak to a team member in the room or at the registration area outside.

I'll now explain how to ask a question. For each item, the chair will invite questions from the floor. If you'd like to ask a question, please take a seat in the reserved area behind one of the microphones and show your card to the attendant. When it's your turn, the attendant will invite you forward. Please give your name, ask only one question at a time, and keep your contribution to no more than two minutes. If you're joining online and have a question, select ask a question on your screen and follow the prompts. For each item, we'll alternate between online questions and questions from the room. We'll begin online, giving people here time to move to a microphone. I'll read online questions as submitted.

We may have a large number of questions today, so thank you in advance for your patience. If we can't answer a question fully, or we can't reach every question today, we'll respond after the meeting. If you have a question about an individual customer or shareholder matter, please speak to one of our customer service or team members today. If you're joining online, and your question relates to an individual customer or shareholder matter, our customer service or registry team will contact you after the meeting. For shareholders viewing the live webcast, the online platform is now open and you may submit your questions at any time.

That concludes the housekeeping. I'll now hand over to our Chair, Craig Dunn.

Craig Dunn: Thank you, Nathan, and good morning, ladies and gentlemen. It's my great pleasure to welcome you to Telstra's 2026 Annual General Meeting. Thank you for joining us today and for your continued investment in Telstra. This meeting is being webcast, so a very warm welcome also to the many shareholders who have chosen to join us online.

A quorum is present, and so I formally declare today's meeting open. A Notice of Meeting has been distributed to shareholders setting out the business and resolutions to be considered today, and I propose to take that notice as read. The items of business on today's agenda are now being shown on the screen. Voting on items 3 to 5 will be conducted by poll, and that poll is now open. Instructions on how to participate in the poll were distributed prior to the meeting, and assistance is available at any time.

I'm pleased to be joined on stage by my fellow Board members, except for Bridget Loudon, who is on leave. Also joining us on the stage today is our Company Secretary, Craig Emery, and our Chief Financial Officer, Michael Ackland.

During the year, we welcomed Holly Kramer to the Board, and we're already benefiting from Holly's depth of experience. Today, Maxine Brenner and Ming Long are standing for re-election, and we'll hear from them shortly, along with Holly.

I also want to acknowledge Elana Rubin, who retired during the year and Bridget Loudon, who will retire from the Board at the conclusion of today's AGM. Both have made a significant contribution to this Company and to the shareholders they served, and on behalf of the Board, I thank them sincerely. Members of the senior management team are also here today.

I'll now turn to our performance over the last 12 months and I'd also like to share some reflections on a fast-changing world and how Telstra is responding.

This year marked the first year of our Connected Future 30 strategy, and the Board is pleased with the Company's progress, particularly as the external environment has continued to change rapidly from geopolitics to public policy and technology. Telstra has delivered strongly through that change, and this reinforces our confidence that we have the right strategy to adapt and lead.

We delivered our fifth consecutive year of underlying earnings growth, underpinned by good growth in our mobile and digital infrastructure businesses, strong cost control with underlying expenses down 3% on the prior year, or by \$454 million, and ongoing capital discipline, demonstrated by a further lift in underlying return on invested capital, up 50 basis points on the prior year to 9%. That performance saw dividends increase by 10.5% over the prior year on a cash basis and the successful completion of a \$1.25 billion on-market share buyback.

Importantly, these outcomes reflect disciplined execution across our business and the ongoing investment in our network. The Board remains focused on ensuring that investment continues to translate into sustainable cash earnings and improving returns.

We also continue to focus on improving network resilience with customer impact minutes from major incidents and time to restore services both reducing significantly over FY25 and FY26. That's why the network outage on July 8 was so disappointing. We fell short of what people rightly expect from us and it should not have happened. We acted immediately to address the issue and we commissioned and published the findings of an external expert investigation. We have accepted those findings and we continue to act on them.

The Board has taken the outage very seriously. Our approach to management accountability has been clear and Vicki has been equally clear about Telstra's commitment to learn from what went wrong and to act to further strengthen our network. The Board reflected the impact of the outage in the executive remuneration outcomes for FY26, which I'll come to later when we address that agenda item.

Over the year, we also continued to improve the experience for our customers and for our people. This is reflected in higher net promoter scores and record low customer complaints over FY26. Our investments in digitisation and AI have delivered meaningful improvements, and Vicki will speak more about those shortly.

We also continue to protect customers from scams, blocking more than 24 million scam calls and close to five million scam text messages every month on average. Our employee engagement score improved to 81, placing Telstra in the top quartile globally, and we continue to invest in the data and AI skills and capabilities of our people.

We've delivered these outcomes while operating more sustainably. We more than delivered on our renewable energy generation target. We've made good progress against our emissions and recycling targets, and we supported the digital inclusion of 177,000 Australians. Of course, there is always more work to do and more value to create for our shareholders, but after the first year of executing Connected Future 30, your Board is encouraged and optimistic.

As I mentioned, over the last little while, we've seen extraordinary change in the world, including the pace of that change. I want to speak now to that change, what it means for Telstra, and why your Board is confident in the relevance and appropriateness of our strategy. I'll speak to five big shifts, which are all connected and all related to Australia's digital future.

The first is increased geopolitical uncertainty and the greater risk this poses to economic resilience and national security. These two things are becoming increasingly connected, in part because global supply chains are no longer as secure and reliable as they once were. Data is the raw material of our digital economy. Storing, accessing, and connecting it, both securely and reliably, is critical to every modern economy.

In a less stable world, where Australia's digital infrastructure is built and who owns and runs it matters more than ever. Sovereign networks are key to providing greater economic resilience. They also mean Australian laws can be applied more effectively, which gives us more agency and leverage over how we govern our digital economy in Australia. Sovereign networks and digital infrastructure are a strength for Australia, a strength for Telstra, and they will only grow in importance over time. For Telstra, as a credible and trusted Australian company, with a history of

network leadership, this creates commercial opportunities in secure and resilient connectivity and digital infrastructure, while reinforcing the strategic value of our assets and capabilities, which are difficult to replicate.

The second shift is the rapid acceleration of AI and the strong demand for digital infrastructure. This has the potential to secure Australia's coming decades of productivity and prosperity, but only if we get it right. Lifting Australia's productivity is key to raising living standards, increasing real wages, and reducing pressures on inflation and the cost of living. AI is a fundamental economic and social shift and understandably, many Australians have concerns about its potential impact on our society.

As a country, how we build trust, skills, infrastructure, and inclusion will have a significant impact on our potential to take full advantage of this shift and whether it delivers benefits to all Australians. No single organisation can solve this alone. We need government, business, unions, and the academic sector all working together. As a large business, Telstra has an important role to play in helping to build skills, inclusion, and in providing the connectivity people will need to engage with AI.

It also presents opportunities that are critical to Telstra's competitiveness, including applying AI to deliver better customer experiences, to lift our productivity, and to build smarter and more resilient networks. It is critical Australia has secure and reliable access to the world's most capable AI models and, equally importantly, that we retain the ability for Australia to make decisions about how, as a country, AI is deployed and governed on our terms.

Given the global AI market is currently concentrated in a small number of offshore providers, our capacity to achieve both goals is enhanced by building and controlling the digital infrastructure that powers AI in Australia. This only reinforces the need for sovereign networks and digital infrastructure that both strengthen national resilience and underpin AI. Telstra is strongly positioned to play a leading role here and we'll pursue these opportunities with real discipline and a clear focus on long-term shareholder value.

The third shift is structural change in our economy. There are a range of global and economic factors putting pressure on household budgets. We understand this, and we understand the importance of staying connected. That's why we've introduced a new upfront mobile access plan for eligible customers who need support with affordability. Our concession discount is now available on more upfront postpaid mobile plans. We offer options at different price points through our brands like Belong and Boost, and we provide continuing support for customers in vulnerable circumstances.

When we make pricing decisions, we keep different circumstances in mind. Getting that balance right matters. Like any business, we need to earn a fair return on the significant investments we make and we do that by maintaining a strong revenue base and disciplined cost management. Those returns give our shareholders the confidence to keep investing in Telstra, which in turn allows us to keep investing in the network products and services our customers rely on.

This brings me to the fourth shift, the growing expectations that customers, communities, and governments have of connectivity. What people expect of mobile networks today is fundamentally different to what they expected just a few years ago. Mobile networks have

become core economic and national infrastructure, and the expectation is they will work everywhere all the time.

Our regional and remote investment is why our mobile network covers around 900,000 square kilometres more than any other Australian mobile network operator. Over the past five years alone, we've invested more than \$9.5 billion in our mobile network, including \$3.8 billion in regional and remote Australia. We're proud of our presence in regional and remote Australia, and it's critically important that as a nation, we continue to lift digital inclusion and improve services for regional Australians.

The cost to deliver mobile services in remote Australia is higher than in metro areas, and on a standalone basis is uneconomic. We've been able to provide and maintain mobile coverage where others do not, as part of our broader network investment that allows us to differentiate on coverage and so provide Telstra with the economic incentive to innovate and invest in these areas of our country.

Importantly, we also chose to invest to bring satellite to mobile services to regional and remote areas. To date, no other Australian network operator has done so. This investment complements rather than replaces our terrestrial network by providing basic connectivity beyond the reach of our current mobile network and where traditional mobile infrastructure is not economically viable. It also adds another layer of resilience, which is important because unfortunately no network is infallible.

The final shift is growing complexity in policy and regulatory settings, contributing to a more uncertain investment environment. Connectivity underpins all aspects of the economy and our daily lives. It is central to Australia's productivity, national resilience, security, and sovereign capabilities. Australia has had two decades of private investment that has delivered world-leading mobile networks for Australians, and we want that to continue.

That investment has been supported by sound public policy in spectrum settings and by government co-investment programs in regional and remote Australia. Policymakers are rightly focused on what Australians care about most, resilience, service standards, access, security, competition and affordability, and Telstra cares about these things too, and we support the ACCC's Mobile Services Inquiry. We see it as an important opportunity to think more broadly about the future of mobility and the policy settings needed to best meet the needs of Australians.

Despite good intentions, the risk is that individual policy or regulatory decisions combine in unexpected ways to discourage investment at a time when Australia needs more investment to underpin our future. We also risk reaching too quickly for seemingly simple solutions that do not solve complex challenges. Too often, increased regulation is seen as the only solution. Proportionate and well-targeted regulation has an important role to play, but regulation alone will not deliver higher quality and resilient services which underpin our country's productivity. This requires policy and regulation that encourages the long-term investment needed to deliver for Australian consumers and businesses.

The call for mandated roaming is a good example of these risks. Mandated roaming would require operators of mobile networks to offer customers of other networks access to their coverage when they move outside of their own provider's footprint. Advocates of this approach call for the rates and conditions of that access to be set by the regulator rather than agreed commercially. They

argue it will eliminate regional coverage gaps. If only it were that simple. Mandated roaming does not build a single new mobile tower or extend coverage into areas where no network exists today. It simply redistributes existing coverage and capacity across more users while making it harder to justify the investment needed to improve that coverage and in doing so risks slowing the very investment that regional and remote Australia needs. New regulation must be judged by the incentives it creates and not by the intentions behind it.

People sometimes also link mobile roaming with improved safety. However, emergency calls to Triple Zero already transfer to any available mobile network. It's called emergency camp-on and it's been standard on Australian networks for more than 20 years. Roaming would have no impact on access to Triple Zero.

Many of Australia's most important goals, including productivity and prosperity, will be underpinned by secure and reliable connectivity. We need a strong and sustainable telecommunications sector to continue investing to deliver that. We also need a shared national vision between government and industry, a vision that reinforces an integrated and holistic policy approach, with clear goals for what we want Australia's digital future to look like over the next decade and how investment in digital infrastructure will support that. We're engaging constructively with government and regulators on these important issues, through the ACCC's Mobile Services Inquiry and we remain committed to enabling Australia's digital future.

Together these five shifts pose challenges and also opportunities for Telstra and for Australia and your Board is confident that Telstra is strongly positioned to navigate and lead through them. We're equally confident that Connected Future 30 is the right strategy for a changing world and our first year of execution against that strategy reinforces our optimism about the future.

At the same time, we know the pace of change is accelerating which means we also need to adapt and change at a faster pace. That means having the right people in the right roles with the right skills and mindset. Our people are more important than ever to Telstra's success and I'd like to thank Vicki, her leadership team, and the entire team across Telstra for their commitment and their focus. On behalf of the Board, I'd like to conclude by thanking you, our shareholders, for your continued investment in Telstra. So, thank you, and I'll now pass over to Vicki.

Vicki Brady: Thank you, Craig and good morning, everyone. I'm really delighted to be here for my fifth AGM as CEO. I'll cover three things today: Telstra's overall business performance for financial year '26; our progress one year into our Connected Future 30 strategy; and our focus areas for financial year '27.

Starting with Telstra's performance for the year. FY26 was a strong year as we continued to deliver for customers and shareholders. You can see a summary of our 2026 results on this slide. Reported financial performance compared to the prior period included earnings before interest, tax, depreciation, amortisation and after leases up 3% to \$8.2 billion. Net profit after tax up 2.7% to \$2.4 billion, and earnings per share up 5.3% to \$0.199.

Our underlying results provide a clearer view of financial performance. Our underlying EBITDAaL was up 4% to \$8.3 billion, cash EPS up 14% to \$0.255, and underlying return on invested capital up 0.5 percentage points to 9%. Cash earnings growth was supported by tight cost control and efficiency gains. We achieved positive operating leverage of 2.0 percentage points as underlying operating expenses reduced by \$454 million.

On the back of these results, we were pleased to increase the dividend again to \$0.21 per share for the year, a 10.5% increase on a cash basis on the prior year. That is consistent with our Capital Management Framework and our aim to deliver a sustainable and growing dividend, supported by strong cash earnings.

Our Connected Future 30 ambition remains to deliver mid-single-digit growth in cash earnings. In June this year, we completed our \$1.25 billion on-market share buyback, and at our full-year results we announced a further on-market share buyback of up to \$1 billion. This shifts our capital structure toward more debt and less equity and has been enabled by earnings growth and the strength of our balance sheet. Buybacks allow us to lower our cost of capital and manage our sources of funding more efficiently. This approach also supports earnings and dividend per share growth, and together with increased dividends demonstrates the Board and management's confidence in our financial strength and outlook.

Looking now at our results across the business, we delivered growth across Mobile, Fixed-Consumer and Small Business, InfraCo Fixed and Amplitel. Our mobile services revenue grew across all products, postpaid, prepaid and wholesale handheld, mobile broadband, and Internet of Things.

We delivered average revenue per user growth across all categories, brands, and segments, and mobile users grew by 274,000 or 1.9%. We grew EBITDA in Fixed Consumer and Small Business through strong cost management and our Infrastructure business, including InfraCo Fixed and Amplitel, continued to grow, supported by rising demand in the AI era.

Our Fixed Enterprise and International results were partly impacted by our decisions to divest businesses and rationalise products, as well as foreign currency headwinds. In Fixed Enterprise, we continued to make strong progress to reset this business and focus on our core connectivity offerings. Our deliberate reshaping of this business and focus on portfolio management is ongoing. In our International Wholesale and Enterprise business, we made further progress to refocus on digital infrastructure.

Turning to our Connected Future 30 strategy, over FY26 we laid important foundations for its delivery. Customer engagement is becoming a stronger commercial advantage for Telstra. Over the year, we focused on making interactions easier, more personal and more valuable for customers. We now have more customer support available across more hours and channels, including 24/7 fault support.

We have continued to add new functionality to our AI-powered digital assistant and digital self-service tools and more customers are choosing these tools and having their inquiry resolved. We also introduced generative AI-powered search across Telstra.com and My Telstra app, as well as translation into 37 languages. For customers who prefer to call us, our average call centre wait times have reduced to two minutes.

These improvements and others are translating into better experiences and more customers choosing us and staying with us. In FY26, our strategic Net Promoter Score increased to positive 20 and episode NPS to positive 49, the highest year-end results since we started measuring NPS.

Under our Network as a Product layer, we continue to invest in our networks and digital infrastructure. In total, we have invested more than \$19 billion in overall CapEx and spectrum in the last five years. Over FY26, we upgraded nearly 1,200 mobile sites with 5G Advanced capability

and built more than 150 new mobile sites to continue to improve the experience on our mobile network.

We also upgraded more than 1,800 network sites with backup power. Every year we experience around 165,000 mains power interruptions across our fixed and mobile sites and due to our investments in backup power, around 97% of those had no impact on services to customers in FY26.

Overall, these improvements and others are translating into more consistent experiences for our customers. In FY26, we lifted our Network Experience Index by 1.6 points, which is our measure of network reliability and performance.

We also brought new services and value to customers. We chose to invest in Satellite Messaging and we recently expanded this to include Select Satellite Applications, like maps, weather and internet messaging. That means eligible Telstra postpaid customers, with a compatible handset, can check directions, monitor changing conditions and send messages beyond our mobile network when outdoors with line of sight to the sky.

We know we let our customers down in July and we have taken full accountability for this. We have completed our external expert investigation and shared those findings, which confirmed what we said at the time. We accept the findings, we've taken immediate steps to strengthen our network and that work continues.

Our commitment is to use what we have learnt to make our services even more resilient and reliable for our customers. When things do go wrong, we're committed to taking accountability, giving people clear information and fixing issues as quickly as possible.

As connectivity becomes increasingly critical, we're also committed to continuing our work to further strengthen the resilience of our network and the services Australians rely on. This includes working with key government and enterprise customers to identify critical use cases and ensure appropriate resilience, redundancy and safeguards are in place.

Under Digital Infrastructure we are seeing demand for our digital infrastructure assets increase significantly and we expect that to continue. Connectivity is becoming a more valuable and strategic asset, because while AI demand is growing quickly, high-quality digital infrastructure is built over years and is not easily replicated.

Some of the world's largest cloud and AI companies have secured long-term contracts to access our Aura Network, including Microsoft as our foundational partner and Google. We are more than halfway through its build, with more than 9,000 kilometres of fibre in the ground. Last week we launched our Perth-to-Sydney route, the longest route in the network and we have six routes ready for service.

We now expect the total strategic investment, which includes ground infrastructure to support Viasat's next generation satellite services in Australia, to be around \$1.8 billion through to FY28, compared with our previous estimate of around \$1.6 billion. We are confident in the project's returns, including an expected mid-teens IRR and a cash payback period of around nine years. We will continue to apply a disciplined approach to future investment opportunities to support Australia's role as an AI and digital innovation hub and to deliver returns to shareholders.

Looking ahead, we're focused on continuing to deliver value for our customers, communities and shareholders. Our FY27 guidance ranges, along with the conditions upon which we provided them, remain consistent with what we provided in August at our full year results.

Over FY27, there are five things I would call out. (1) We are accelerating our mobile transformation to further improve the experience on our network. This includes through increasing the density of our network and accelerating our rollout of 5G Standalone to provide an even more consistent experience, more capacity and lower latency for AI applications.

Investment in mobile networks will be critical to unlocking national benefits from AI, as this is the way most people will use it. We're also increasing our investment in security to help keep our customers safe and taking the lessons from our outage in July to further inform our already increasing investment in network resilience.

(2) We will continue to evolve our Network as a Product offerings and expand our mobile network APIs, enabling developers to integrate network capabilities into their applications. Together with progressing our products across Mobile and Fixed, this will bring us closer to our goal of creating more value from our network for customers and sharing in that value by reinventing commercial models.

(3) We will continue to help our people build data and AI capability and transform our business and customer experience with AI. This includes through accelerating progress on our cross-Company AI transformational initiatives, like agentic customer care, expanding fraud detection and prevention and improving fixed network planning and optimisation. We will continue to be disciplined about scaling AI with strong foundations, including reusable architecture, governance, security, cost management and risk management.

(4) We will focus on driving revenue from our digital infrastructure assets, including our Aura Network. We will also consider future needs to support Australia as an AI and digital innovation hub and we are assessing a range of opportunities, including in subsea cable capacity. Our network and digital infrastructure leadership, built over decades, means we are uniquely positioned to deliver Australia's digital future, both under Connected Future 30 and beyond.

(5) We will also remain disciplined on costs, capital allocation and creating shareholder value. As we continue to invest in network resilience and growth, we will maintain our focus on productivity, simplification and positive operating leverage.

As I close, I'd like to thank the Telstra team for everything they have delivered in the year. We enter FY27 with strong momentum and confidence in Connected Future 30. We believe it is the right strategy to help us to deliver value for customers, shareholders and Australia. Thank you.

Craig Dunn: Thank you, Vicki. Okay, we'll now move to the formal part of the meeting, and the items of business are being shown on the screen. Nathan outlined at the start of the meeting how you can ask a question and vote. Shareholders viewing online may also submit questions through our online portal. As I mentioned earlier, voting on items 3 to 5 is being conducted by poll. Mr Aaron Calder of MUFG Corporate Markets, Telstra's share registry, is acting as returning officer in relation to that poll.

We've received proxies from over 9,500 shareholders and direct votes from over 8,700 shareholders. When we come to an item, we will display on the screen the proxy and direct votes

recorded for and against that resolution. The four numbers include proxies received and available to be voted by the chair of the meeting.

I'll now turn to item 2 on today's agenda, which is to discuss the Company's financial statements and reports for the year ended 30 June 2026. This item provides shareholders with the opportunity to ask questions about our 2026 financial statements and reports, as well as the operations business and management of Telstra. You can also ask questions of our auditor, Deloitte.

An important reminder, the purpose of this item is to allow shareholders to ask questions about the performance of the Company and not to address individual customer service queries. If you have a question about a customer service issue and you would like to address that issue now, we have highly experienced customer service people in the room who are ready to assist you. Customer related queries received online will also be responded to by our customer service team.

If a topic has been already addressed or questions are repeated, I won't cover them a second time and this will ensure we make the most of our time together today. Please address your questions through me, as the Chair of today's meeting and not directly to my colleagues on stage. So, shareholders in the room, I invite you to move to a microphone to ask a question. For shareholders viewing the webcast online, please submit your questions through the online portal.

To ensure there is an even spread of questions from shareholders in the room and online, I will rotate between the two. To allow shareholders in the room time to move to a microphone, I'll begin with questions online. So Nathan, do we have any questions online for item 2, please?

Nathan Burley: Yes, we do, Craig. We've got some online questions. Our first question comes from Stephen Mayne and the question is: Foxtel was sold to DAZN in December 2024 for what, at the time, was claimed to be a \$3.4 billion enterprise valuation. The case settled in April 2025 when we received \$128 million in cash as a repayment of a shareholder loan and a 3% equity stake in DAZN.

Do we still own those shares, have they paid a dividend and what is the plan in terms of realising some cash value from our 35% stake in Foxtel, as opposed to owning a 3% of an opaque, unlisted company controlled by a Ukrainian-American billionaire? What is the current book value of that investment?

Craig Dunn: Thank you for that question. So we were pleased to do that transaction in return for selling our stake and getting the repayment of the loan through Foxtel. Obviously, that's an investment that we review as part of our financial statements each year. We have not sold the shares in that investment and the carrying value that we include in our accounts, as I said, is reviewed each half and full year and obviously reviewed by our auditors.

Nathan Burley: Okay, our next question is from [Teresa Caloiero]. Why has Telstra decided not to have a best practice full hybrid meeting this year? Why must a shareholder be forced to vote days before the meeting prior to the Company update at the AGM?

Craig Dunn: Thank you, Nathan. So we do provide obviously the Notice of Meeting well ahead of the meeting, which sets out the items that can be voted on at the meeting and obviously all the various material that supports the voting on those items, the annual report and the whole suite of annual reports and we think that's important.

Many shareholders and probably most of our shareholders, vote ahead of the meeting and do that very happily. Also, one of the issues with online voting is, frankly, the number of participants that are involved, themselves, in the meeting – on each meeting in the past, has been very low. Last year it was six people and we just don't think it justifies the cost to make online voting available, particularly when we've got the other mechanisms in place to allow voters – shareholders to vote ahead of the meeting.

Nathan Burley: We'll take our first question from the room. We'll go to microphone number 1.

Moderator: Chair, I'd like to introduce Mr Bennett.

Mr Bennett: (Shareholder) Thank you, Chair and thank you for having the meeting available as a webcast, which I notice that some companies in Western Australia force us to travel over there to attend, so I appreciate your willingness and also for the nice lunch that you're providing for us. I have two issues to raise.

Last year we noticed from the accounts that the growth was actually less than the rate of inflation, so while Vicki promoted the growth in the Company, it was actually less than the inflation rate, so it wasn't all that successful. Really my question is, where does the Board see Telstra in 10 or 20 years' time? Is it going to be a telco utility like, say, Sydney Water or an innovative company like Microsoft or Amazon?

I mean, the Board, from what I saw this morning of the presentations, before the presentations, the Board still seems to be focused on its woke agenda and it ignores the need for a strong R&D investment to drive future growth. I mean, the old Telstra had a lot of R&D people working there. It seems that the R&D side of the business has fallen down.

When I look at the people who are on the Board, I'm sad to say I don't see any really dynamic people. I'm not suggesting we try and ask Elon Musk or Gina Rinehart to join the Board, but perhaps we need somebody who's got a little bit more vision in terms of where they're going.

In terms of vision, I really worry about the rollout of 5G broadband. I mean, I'm one of those poor customers who has to put up with the old HFC cables in my line and yet when I go on a cruise and I'm using Starlink, I get a really good experience from the Starlink on my cruise ship. But when I come back home, I'm put up with the poor NBN system and I can't access Telstra's 5G broadband system.

I really think that, what do I do, do I go to Starlink, which I'm enjoying when I'm on a cruise, or do I wait and wait and wait till Telstra gets its act together and provides proper 5G broadband in metropolitan areas where you can make some money? Thank you.

Craig Dunn: Thank you, sir. So there's several topics that you raised in your question, so I appreciate your question. Just firstly on revenue growth, the two businesses that, in a sense, make up the greatest part of our valuation are our mobile and digital infrastructure businesses and they both did grow more strongly, at inflation or more above the inflation level.

What held back our overall revenue growth is there's some businesses in Enterprise Fixed and International where they're more challenged, if you like, structurally and some of those businesses have been closing down products and businesses because we don't think they're

either demanded by customers now, or make returns for us. So the businesses that are driving most of our valuation are growing quite strongly and I think above inflation.

I would say that Connected Future 30 is very much focused on what we regard as our core business and we think that's important. We think we can deliver strong value growth for shareholders over time by, frankly, focusing on our knitting and what we do well. In times in the past and I'm not criticising these initiatives, but Telstra has been, I suppose, more willing to invest in other businesses that haven't been as close to the core and, frankly, they haven't delivered the returns that we expect of or that shareholders expect.

So that focus on our core business is very deliberate and as I said, in our mobile business and digital infrastructure, we think we're very well placed and we can grow revenue. Also Vicki mentioned it in her speech, obviously the way you drive earnings is you grow revenue faster than you grow costs and one of the new measures that we've introduced in our STI scorecard is what we call operating leverage. That effectively demands of management that revenue grows faster than cost to drive earnings. That's a key metric that Vicki's focusing on.

In terms of broadband, I understand your point. 5G broadband at Telstra is quite popular. As far as our network goes, it's not something that's easily rolled out in every part of the community, so it will be available to some customers, not all. That's largely driven by the economics of where we can do that in a way that suits the needs of our customers, but also allows us to deliver an appropriate return to shareholders. Thank you, sir.

Nathan Burley: We'll take our next question from microphone number 3 on this side of the room.

Moderator: Chair, I'd like to introduce Mrs Lee.

Mrs Lee: (Shareholder) Thank you, Mr Chair. Good to see you again. The Company, yes, in my opinion, you're doing well. It's like you did enter the 400 metres in the Olympics and crossed the finish line to win gold and then tripped up and broke your leg, so it's a bit unfortunate.

My first question is really about the adoption of AI. I understand that it's somewhat of a necessary evil these days. I suppose the generative AI side of things, there are problems, but with your applications, the risks are smaller. I think it's the agentic AI approaches, which I'd like you to elaborate a bit more on, on the approach on how that's been rolled out, its management. I suppose primarily I want to know are you focusing on the goals or the functions?

So is the agentic AI overlapping to redesign your teams and the way you work in terms of its goals or are you just applying it to the management structure as far as the functions? Also, obviously, the degree to which there is transparency and review to make sure that you're not just totally captured by the AI and saying, well, the computer said this is the answer, so that is it.

Craig Dunn: Yes, no, it's a very good and topical question. So the way we think about AI is, firstly, through a strategic lens. We want to take advantage of the strategic benefits of AI. As I said in my speech, we do think there are significant opportunities to improve our services to customers using AI. It will provide some productivity opportunities going forward and we're already using it to improve the resilience and quality of our network. So we do think it's a significant technology that we can use to deliver our business goals and our strategy and that's what's driving our use of it.

You quite rightly point out that with those benefits come risks and with agentic AI, which is sort of the next evolution of AI, it is going to provide very powerful opportunities to deliver on those business goals. The framing of where it's focused is very much driven by Vicki's leadership team and where they think value is created. But we go through very careful disciplines before we apply AI. There's a responsible AI approach we take. There are very detailed, clear procedures that people need to work through in the business before AI can be used.

What's particularly important is then when you use it on a scalable level and you need to make sure that AI is doing what you expect it to do in an appropriately controlled environment. That's a very strong focus of Vicki and the management team and has strong oversight at a Board level. So it's something that we have to be careful and very disciplined about, but we do think it's a technology that can really add to our strategy.

As I said in my opening remarks, we understand that in the community, people are concerned, have valid concerns about how it might impact society. We understand that. We want to work with government, we want to work with unions, we want to work with the broader community and make sure we do it in a way that works for Australia and more importantly, as many of Australians as possible benefit from the use of that technology.

Mrs Lee: (Shareholder) As I said, from what I understand, agentic AI, if you're just overlaying over the existing organisation structures...

Craig Dunn: Okay, sorry, yes.

Mrs Lee: (Shareholder) ...the productivity gains are limited.

Craig Dunn: Yes.

Mrs Lee: (Shareholder) So to what extent are you reviewing those structures?

Craig Dunn: Yes, no, I'm sorry – and it's a very good point. So our view is that the much greater value comes from agentic AI if you step back and think about the process or the customer service journey in a more holistic sense. We'll create greater value for customers and shareholders if we think about it more holistically rather than just using it in a small part and we don't think about redesigning the broader process.

I mean what AI will do is it will change how we work, it will change the way our people work, it will change the way we take things to market with customers. So we're very much looking at a holistic level about how we think of process more broadly and not just trying to improve an existing process that might be poorly designed and not really executing the way it should for customers. Does that address your point?

Mrs Lee: (Shareholder) Yes, yes, it does. Thank you very much. I just had a very quick one, if you'd bear with me.

Craig Dunn: Yes, of course.

Mrs Lee: (Shareholder) On the international, Telstra International, I understand that there are changes and things happening, But I suppose getting down to the nut of it, that a large proportion of the loss was created because of the PNG kina currency fluctuations. To what extent did the Company try and manage that, say, with hedging or was that anticipated or it just happened?

Craig Dunn: Yes, so I mean that currency volatility is an issue with any offshore business and it's been particularly volatile in PNG, just because of where its economy is at. I mean to some extent you can hedge that volatility with the debt you take out and the way you take it, but it's not a currency that's easily hedged. So it's just a function of doing business there and it's a level of volatility that we have to accept. I mean it's not unimportant, but it's quite a small business impact on the broader outcomes of Telstra. Thank you.

Nathan Burley: Our next question will be from microphone number 2 in the centre of the room here.

Moderator: Chair, I'd like to introduce you to Mr [Kniznikov].

Craig Dunn: Good morning.

Mr Kniznikov: (Shareholder) Thank you, Mr Chairman. My name is Roman Kniznikov and I'm a long-term shareholder and representing my personal shareholding, my company's shareholding and self-managed super fund. The first things in my address I would like at this meeting, I would like to thank you, Mr Chairman. Your Board are in place. It is good to see you, Craig, again.

Craig Dunn: Nice to see you, sir.

Mr Kniznikov: (Shareholder) Now to the question. I would like to know, how secure is our customer information? In light of many hacks in Australia and around the world, I want to ensure that private information of our customers stays secure and what are you doing to secure it? Thank you.

Craig Dunn: Yes, very good question, sir. So in the Annual Report you'll see privacy of data is one of the key risks we point out as something that we need to manage. We take that very seriously and we will work very hard to improve the security around our data. It does parlay a bit from the earlier question on AI. With the rapid advances in AI models, that is increasing the sophistication and the scalability of bad actors trying to attack Telstra, either to take data away from the business that should be private, or to attack our infrastructure.

At the same time, AI models used well can be used to improve our capacity to prevent those attacks. So the cyber security aspects of the question you ask are very important to the Board and senior management team. I think almost every year for the last few years, we've invested more and more in cyber security because of that risk. We take it very seriously. It gets regularly reported to the Board Risk Committee, where we review that.

So we do our very best to protect your data, sir. In some respects, no organisation's immune to some of these risks, but we work very hard to protect your data and take it very, very seriously.

Mr Kniznikov: (Shareholder) Mr Chairman, I understand it and I'm talking about AI, because some of the AI, for example, what happened to Medicare, you just can't stop. I'm telling you as software engineer by my profession.

Craig Dunn: Yes, I understand.

Mr Kniznikov: (Shareholder) Okay. But still, do the Company have insurance or something? If a hack happens - you hear about Medicare Private. You hear a lot of things which - hackers get very sensitive information.

Craig Dunn: Yes. Yes, no, I understand your question. No, it's a good point. Look, one thing that we try to do very diligently and as best we can at Telstra is learn from other organisations. There are other organisations that unfortunately have had their data exposed. Frankly, the first thing that sort of happens around the board table with management is, well, how do we think about that? What could we learn from that?

I mean, one of the things we've done over time, for example, is be - we've contracted the number of data platforms we've got in the organisation to try and improve the security over those platforms. We've also done a lot of work on looking at data and saying, do we really need to keep that data anymore? Is it redundant? Is it data that we don't need to store in our datas and therefore should we remove it from our systems?

So we do take it very seriously. We do work very diligently and we always, always look at other circumstances that have happened and try and learn from them. Thank you, sir.

Nathan Burley: We'll take our next question back online again. This question comes from Stephen Mayne again. Shares in the three main mobile providers in the US plunged on Friday after SpaceX spent \$8 billion buying more spectrum in what was perceived to be a preparation for Starlink move into the US mobile market.

Please summarise the nature of our current arrangements with Starlink and whether it precludes the company from directly entering the mobile market in Australia's major cities. Are there any major structural differences in the US and Australian mobile market? And do you believe SpaceX plans to move into the US mobile market?

Craig Dunn: Thank you, Nathan, and thank you for that question, which is obviously very topical. So, I mean, we do have an important relationship with Starlink, SpaceX, which I'll come back to, on satellite-to-mobile technology. That's obviously a commercially sensitive relationship, but in the end, what SpaceX or Starlink choose to do in Australia will be a matter for them.

It is a very important new and developing technology, and certainly the Board and Vicki see that as a part of a mix of the technologies that we'll take to market in future to deliver the services that our customers expect. A good example of that, as I mentioned in my remarks, and Vicki touched on it as well, is taking that basic connectivity that's available on satellite technology at the moment to provide text coverage, and now with some apps, to parts of Australia that go beyond our network and are not possible for us, frankly, to deliver in an economic way. Importantly, they also provide other resilience on our network more broadly.

Having said all that, and again, as I said in my opening remarks, that's the use of satellite technology as a support for our existing mobile network. We don't see it as a substitute for our mobile network going forward. We've got a lot of pride in the network that we've got, and we believe that we will be able to continue to differentiate it going forward.

There have been some developments in the US market. We watch those very closely. We do think the market in the US obviously is a much larger one. The economics are very different. The spectrum settings are very different.

Our view remains that it's a complementary rather than substitute technology. That's especially so in dense areas like metro and regional areas where the satellite physics simply don't work the way our network will work. As I said, we're watching it very carefully. We very much see it as a

complementary technology that we'll bring to bear with our clients and customers in a way that makes their service better than it has been.

Nathan Burley: We'll go back to the room. Microphone number three.

Moderator: Hi Chair, I would like to introduce Mrs Waterhouse from ASA, sorry, apologies.

Rachel Waterhouse: (Australian Shareholders' Association, Shareholder) Thanks Craig, very much.

Craig Dunn: Good morning.

Rachel Waterhouse: (Australian Shareholders' Association, Shareholder) Rachel Waterhouse, CEO of Australian Shareholders' Association. Today we're representing over 1,000 investors and \$69 million in shares. The question here, and I have a second one, but I'll wait and come back, how will the Board verify that changes following the outage are effective? In a sense, what learnings have been applied and how will the Board oversight it going forward?

Craig Dunn: Yes, thanks Rachel, that's a very good question and can I thank you for the engagement with you and your organisation ahead of the meeting, which we very much appreciate.

It is an important question, as I said in my opening remarks and Vicki covered as well. The outage shouldn't have happened. We're disappointed that it did happen, and we're sorry that it happened. It has happened, though, and we can't change it, but what we can do is learn from it. As I said in the answer to the other question from the gentleman around data security, we take learning very seriously.

We did appoint an external expert to do a thorough investigation. Partly the way you learn from it is you have a full understanding of what caused the outage and what led to the outage. Those findings we published to the full market and community and Vicki is now working on those. The Board has got oversight of that implementation program. Obviously, Vicki is taking it very seriously, but we did actually set up a separate Board committee when the outage first occurred to oversee the work that Vicki and her team were doing.

A follow-up committee is now working with Vicki and to monitor the actions that have been taken to implement the findings that came from that expert investigation and make sure they're done well and properly, and obviously Vicki will do that in any event, but our role as a Board is to govern and oversee that work.

Rachel Waterhouse: (Australian Shareholders' Association, Shareholder) Thank you very much.

Craig Dunn: Thank you.

Nathan Burley: We'll take a question from mic two in the middle of the room.

Moderator: Chair, I'd like to introduce Mr Prentiss.

Mr Prentiss: (Shareholder) Thank you. Just my question is you're going to have a lot of capital expenditure coming up, and to what extent are you able to grow your cash earnings and be able to pay increased dividends while funding a lot of infrastructure and capital expenditure that you've got coming up?

With the earnings that you have, where do your priorities lie? Are they in infrastructure build, checking networks, because I should imagine with that outage, for example, there may be a lot of money being spent on that, and various other things like that. You'll have to prioritise in some way the use of your cash.

With the - just on the network outage, and I know you said you took it very seriously, but I think originally, you didn't really go into any specifics of the things that you're actually doing. I know that you're doing a - you've had a report done, which I think was very critical of the management and ownership of Telstra, which I took to read management and ownership was - ownership representation, which I took to mean as the Board representation, to tell you the truth, plus management underneath that.

You'll have priorities that you'll have to come with whether or not you reinvest back in your business. I know you've done a share buyback for approximately \$1 billion or something like that.

Craig Dunn: Yes.

Mr Prentiss: (Shareholder) Is that going to continue, for example? I personally am not in favour of buybacks. I'd rather you give the money back to the shareholders, but that's another story. So, that's my questions for you.

Craig Dunn: Okay, thank you, sir.

Mr Prentiss: (Shareholder) The other thing is, when you said you took it very seriously, that sounded like a politician, you know what I mean?

Craig Dunn: Okay, well, I'm sorry.

Mr Prentiss: (Shareholder) No, I'm not...

Craig Dunn: I'm sorry if that's...

Mr Prentiss: (Shareholder) Because I hear that all the time. We take the - understand your pain and the cost of living or something like that, but I know you didn't mean it that way, sir.

Craig Dunn: Okay. Well, I certainly didn't mean it that way. That was meant to be genuine. No, not at all. I'm sorry you took it that way, sir, and I'm not criticising politicians, by the way.

Just on the outage, I mean, that obviously was serious, and what the report - the external expert report showed was that for the time protocols that apply, or network time protocols that apply across the network, that that should have been rated as a higher priority than it was. I mean, it did get a higher priority, but it was clear it should have been higher. If it had been higher, sort of the end-to-end oversight, the engineering focus, and a range of other things would have been very different.

So it was an important investigation. I'm not in any way underplaying the significance of the outage for our customers. I'm sorry if I sounded trite. I don't mean to be. We've taken it very, very seriously and we're working very hard to make sure that we strengthen our network.

You asked some very good questions, sir, about - I take it at a high level about how we prioritise capital, and that's very important. I think the capital discipline that Vicki and Michael and the team have shown since Vicki has taken over as CEO has been, frankly, well regarded and

rewarded by our investors, and that capital discipline remains. But the only way you sustain that capital discipline is you make choices, and you make choices about where your capital as shareholders should be invested to give you the very best return.

That gets constantly discussed at the Board because the sort of dynamic allocation of the capital is going through the year, but it tends to get the greatest focus when Vicki brings the annual business plan to the Board, and in that business plan she will set out in some detail where management intends to prioritise their capital investment and why they're doing that.

Obviously, that can be a function of sometimes improving resilience and providing a greater investment in risk management. Sometimes it might go to digital infrastructure, it might go to expanding some of the qualities of our mobile network because we can believe that will deliver better service and better revenue to our customers and therefore grow through to shareholder value. It is a very disciplined approach, and we take a very economic approach to that and say where do we think we can maximise your returns.

On the shareholder buyback, I appreciate that not everyone likes those things. Part of what we've thought about in doing that, and obviously we will review that each year and decide whether we undertake a buyback and if we do, how much we will invest in that buyback. The benefit for shareholders is it does reduce the number of shares on issue, so through the maths it does mean a higher - all other things being equal, a higher earnings per share and dividend per share.

Also, part of it's a function of the economics under the tax regime we have. We want to grow the dividend, and we want to grow the dividend - ideally, it would be franked as high as it possibly can, but if we took that capital and allocated it to dividends, and that's a function of other decisions as well, that would mean we'd have a very, very low level of franking and we don't think that's the best economic outcome for shareholders.

The other benefit, of course, of the capital buyback is it does improve, all other things being equal, the cost of capital, and that lowers the cost of capital for shareholders. I know others don't agree with that, but that's the reason we do it.

Sorry, that's a long answer, but you had several questions there. Have I dealt with all your points, sir?

Mr Prentiss: (Shareholder) That's pretty good. I think that - thank you for doing that, and I'm sorry if I took you the wrong way or whatever.

Craig Dunn: No, not at all. It's really important, so I appreciate you giving me that feedback.

Mr Prentiss: (Shareholder) The other thing with the - when you do a share buyback, the theory is it reduces the number of shares on issue, therefore increases the value of the shares. But I think a lot of companies, when they do a share buyback, do it when they've got excess cash and their company's doing well, so they're actually investing in the shares at a price that's probably historically high. I don't know, I have no empirical evidence, but every company that I've seemed to look at that's done a share buy - not every company, but a lot, it doesn't sort of work out that way where you suddenly say, well, we've got a scarcity of stock, therefore the price will go up.

Often - I think BHP, they did a share - well, it's doing very well, that's probably a bad example, but when a company is doing well and it's got a lot of cash and they say, well, we really don't know

what to do with it. We'll buy our own shares. They've really got to look at it and say, are these shares good value at this time?

Craig Dunn: Yes.

Mr Prentiss: (Shareholder) Otherwise, it's not. So I presume by buying back your own stock, you're sort of saying - and I know you can't give any indication, but you're sort of saying, well, I think this stock's good value because your basic two alternatives when you've got the - you can sit on the cash, you can give it back to shareholders in the form of buying shares back, or you could actually do a special dividend or something like that.

Craig Dunn: Yes, and it works both ways. I mean, obviously, the higher your stock price, the less stock you buy back, and therefore the less reduction you get in earnings per share and dividend per share. So it's a very important point, and I obviously won't go into the detail for the reasons you've said, but you'd expect us Board to consider the price of the stock when we go into a buyback. Thank you, sir.

Nathan Burley: Thank you, sir. We'll take a question from microphone number one.

Moderator: Chair, I'd like to introduce Miss Weir.

Rowan Cecilia Mary Weir: (Shareholder) Yes, Rowan Cecilia Mary Weir. Rowan, the boat up the river to the weir. How are you all? I think it's good afternoon.

Craig Dunn: Is it good afternoon, is it? I'm not sure. I think it might still be good morning.

Rowan Cecilia Mary Weir: (Shareholder) Yes, I think so. What it is, is - mine is mainly about a personal matter and a personal phone call, and you can't seem to get it. I've been waiting so long I've forgotten it. What happened is - it's about my mobile. I rang my friend Bobbie in Scotland in Inverness. I'm testing who's alive and who isn't and she answered and we had a really good chat for half an hour. Then I thought, whoa, this is probably - I'm not travelling.

Anyhow, I tried to ring up and can't find any way to see how to - where once I would have "Hour of Power" and all the various things that you had, and this was just a simple phone call for about half an hour on my phone. When I rang the other person that they said - on a phone, they had no idea and said, no, this is what it is. But once upon a time, I had different things for, you know, purposes and you could ring at certain hours, and you could do this and everything. Now I'm sort of moved, set there and I only have a landline, obviously because country people, and just my mobile phone and internet. But the mobile phone is really just for Australia, in a way, because I don't want to be travelling or dropping it.

But what happens is how do I find out how much that phone call costs me, or where do you go in, where once I had all these sort of services...

Craig Dunn: Yes, well it can depend on the plan. Can I suggest - because it's a very good question, madam, can I suggest that - we've got a very experienced customer service expert in the room.

Rowan Cecilia Mary Weir: (Shareholder) He'll run screaming out of here, but never mind.

Craig Dunn: No, he could sit down with you and explain how it works and probably the best mechanism for you to make those calls and make sure your friends are still walking around.

Rowan Cecilia Mary Weir: (Shareholder) Yeah, well I'd love to be able to talk to old Bobbie in Scotland [unclear] how are you, and my son in New Zealand and a couple of other people. But if it's a fortune...

Craig Dunn: I understand.

Rowan Cecilia Mary Weir: (Shareholder) They don't really matter, it's pleasure, so...

Craig Dunn: No, you want it to be affordable, we understand that.

Tom: I'm Tom, I'm from the customer service team, I can help you.

Craig Dunn: Tom's at your beck and call, he can sit down with you and take you through...

Rowan Cecilia Mary Weir: (Shareholder) But this is what I'm finding, where I try to ring, you cannot get - and it's online and everything's there. I think a nuisance call from - saying my Visa card was up or something, all those junk calls, but here we are.

Tom: Shall we have a chat?

Craig Dunn: All right, well, why don't we - are you comfortable if Tom looks after you and he can take you through the options that you've got? Thank you. Thank you. Okay.

Nathan Burley: We'll go to microphone number three on this side of the room.

Moderator: Chair, I'd like to introduce Mr Starr.

Craig Dunn: Morning, Peter.

Peter Starr: (Shareholder) Good morning, Craig, and morning, ladies and gentlemen, and fellow shareholders. I'm going to speak on a few matters. I've been around this Company for 20-odd years and go back to when we booted Sol Trujillo out of the place. Then David Thodey came in and our shares when he left were \$6.60. Today they're \$4.60. The buyback's going real well, we've gone down \$2.

I really appreciated some of the things that Rachel raised, and I propose to just refresh some things through you, Craig. You weren't chairman at the time, but Michael Ackland was the Chief Financial Officer, and an associate of mine rang me on a Saturday. They happened to have one of the biggest strata companies, ACE Body Corporate, and Michael will remember this. The Managing Director rang me, Ray, and said, Peter, I've got an issue. Is there any way that I could lean on you to help?

Fearing that I didn't want to see the mum and dad shareholders in the room to lose such a big customer, I rang Mr Ackland on a Saturday morning and thanks to Michael's diligence, he called back Ray. Ray rang me a week ago after that, three years ago, and said I couldn't believe it that the second in charge of Telstra rang me on a Saturday and we're staying with them and fixed the problem.

I want to go back to now - fast forward to 8 June, July, and we have an outage. Vicki Brady is on holidays, it's planned, no issue. Ray rings me and he says, Peter, Michael really looked like a fish out of water. I said, I just can't believe that nobody - not you, Mr Chairman, were alongside Michael to explain what was going on. Reporters were asking, where's Vicki? In fairness to Michael, I really

thought that you as the Chairman should have stepped up alongside him and handled the thing. It was unfortunate that Vicki had to break her holiday and come back. She came back.

Now, going to the outage, I want to know this. First, how much compensation has it cost the mum and dad shareholders? Because that affects our dividends. Second, have we fixed all the issues for those customers that were affected?

Craig Dunn: So, do you want me to answer that now, Peter?

Peter Starr: (Shareholder) I would.

Craig Dunn: Yes. So, in our - what we call our consumer and small business customers, we've had around 33,000 complaints or requests for redress, 99% of those have been dealt with. Part of what we wanted to make sure we did, Peter, given the outages, work very quickly to deal with those complaints from customers, because obviously they're very important. That's cost the shareholders around \$1 million.

Peter Starr: (Shareholder) See that's my question, Michael - sorry, Craig, is that - that \$1 million reflects on everybody here, mum and dad shareholders. This is one of the biggest companies for mum and dad shareholders. Quite rightly, Rachel - the shareholders she represents, these are mum and dad shareholders, that's \$1 million dollars that's not going to go in extra dividends, that's the first thing.

Secondly, for the part to fail like that, and it went right - there were trains not running, there were businesses couldn't operate, people couldn't get through on Triple Zero, and don't tell me it was working to switch to the other network because it wasn't working. I just can't understand how that happens in a network that has provided and said, you know, we've got the coverage, we've got this, we've got that, we've got everything else, but that's \$1 million dollars. What are the fines are we going to pay in respect of this? Any idea? A ballpark figure.

Craig Dunn: No, I mean, the relevant regulator is the ACMA, so they've started an investigation. We're obviously cooperating with their investigation. In the end, that's a matter for them about the action they take. It's really - I don't have any capacity - it wouldn't be appropriate for me in any way, but I don't have any capacity to forecast whether there will be a fine and if there is, the size of that fine. In the end, that's a matter for the regulator to decide and we'll deal with it once they make their decisions.

Peter Starr: (Shareholder) What about in relation to where they're talking - the government's now talking about taking the Triple Zero network from us because they say that we're unreliable. I mean, I think that's just an absolute disgrace because I just think it reflects so badly. For 20 years I've heard how we've, you know, prided ourselves on being the number one network. David Thodey, great job. Andy Penn come in with the T20 and all that, and then Vicki. You know - it just - you know - and Vicki, to my way of thinking, has done a pretty good job.

I just can't understand how that part caused such a problem and the reputational damage that's been done to the shareholders is really bad, Craig. I'm telling you from the people that came to me and said, Peter, why didn't the Chairman step up with Michael? Vicki's on holidays. Nobody's crucifying Vicki because she's entitled to have a bloody holiday, for God's sake. But you, as the Chairman of this Company, should have stepped up, supported Michael. He's acting in the role; this is what people came and told me.

I appreciate that I got the time to spend with you and Vicki this morning and privately express that. I don't want you to think it's a thing where I'm against you. I'm expressing what I've been asked to express because I can't believe - I would have thought you would have stepped up there and just explained what was happening, because the reporters were saying where's Vicki Brady?

All that it would have taken you to step up with Michael and to say, you know, look, Ms Brady's on holidays. It was well planned. I as Chairman of the Company with the acting CEO, Michael Ackland - and let's get his name right, we can't even - people - Auckland, Ackland, it's Michael Ackland. Anyway, that's the important thing here, Craig, really. I just think you could have stepped up, you know, and I'm disappointed. I really am, because I think that the penalties and the money affects all these people in the room.

Craig Dunn: All right, well, thank you. I understand your comment and I appreciate your views, Peter. I actually think Michael did a very good job under difficult circumstances, and I know you're speaking to different people to me, and they're entitled to their view, but I've spoken to a lot of people and got a lot of unsolicited feedback about how well Michael did. We do have clear protocols in place for various matters around how we deal with them publicly. When Vicki's away, Michael's the public spokesman for Telstra. I get it, under a very difficult situation, I think he did a fine job. I appreciate you've got a different view about me being involved. I hear you.

Peter Starr: (Shareholder) Thank you.

Nathan Burley: We'll take our next question from...

Craig Dunn: Thanks Peter.

Nathan Burley: Thank you, Peter. We'll take our next question from microphone number two.

Moderator: Chair, I'd like to introduce Mr Pang.

Mr Pang: (Shareholder) Good morning, Mr Chair.

Craig Dunn: Good morning, sir.

Mr Pang: (Shareholder) Thank you very much for the - for Vicki and her team's hard work, and thank you for the - of both directors. Telstra is one of the most important infrastructure in Australia and in view of the current era of AI, AI safety is the most important. My question is about AI safety policy of the Company. In view of the incident that happened in Hugging Face and to Medicare, their intruder have intruded into their system. My question is, what kind of - if something like this happened for Telstra, what kind of legal action will the Company take as a stand?

The second part is that, whether there is some AI teams or AI tools in place in the Company, that can act as quickly as Hugging Face, so that they can defend the system, so that no private data of our customers or in our infrastructure will be leaked into some unauthorised person, not like the Medicare case that it happens for three months that no one knows until the intruder turn himself up. Will there be cases that there will be intruder already in the system?

The last part is about human-oriented AI strategy. We understand that many of the companies are adopting AI strategy so that they can cut costs, cut the people, so as to, say, enhance productivity. Whether Telstra will have a different approach that is human-oriented, always have human in the loop to approve what is implemented for the AI tools, so that to prevent incident as

an intruder into other companies, and to enhance the staff and the customer's experience because of the use of the AI. We are not cutting people but enhancing people's productivity and satisfaction. Thank you.

Craig Dunn: Thank you, sir. You've raised a series of points there.

Just on the - obviously, as I said earlier, AI is a fact of life, and this is certainly not Telstra's view. We can't pretend it doesn't exist. It does and it will and it will keep developing. My comments in my opening remarks were very deliberate about the criticality of Australia being able to access the very best and leading AI models. The reason I say that is for the very reason you went to, is because whether we like it or not, people outside of Telstra, people outside of Australia, will be trying to use those models, either deliberately or perhaps through mistakes like Hugging Face, to target companies like Telstra.

It's really important that through our government and our national security arrangements we have access to the very best AI models to defend ourselves, because as you know, sir, you're obviously very informed on AI, AI can be used to defend as well as attack.

We have to be careful about publicly saying which models we use, because obviously that partly goes to how we defend ourselves, but I suppose I just want to say I can assure you that we're using the very best and latest models we can as a part of our defence on cyber security through AI.

I suppose one of the benefits of being a critically important infrastructure in Australia is that you would expect us to work very closely with the security agencies to make sure we can do that in the best possible way, so that's what we do.

In terms of how we deploy AI per se, again, we're trying to be very careful. As I said earlier, the danger is, particularly in a scalable event, you set up AI and you expect it to do something and it doesn't do that, and therefore you get outcomes that don't work like you should. I think for whatever reason, people's expectations of technology are higher than human beings. If a human being didn't quite get it right, that's one thing, but if you've got scalable technology not getting it right, that's a very different thing.

We work very hard to do that very carefully. There are very clear disciplines in the Company about where we use it and, frankly, one of the things that slows down the deployment of AI is the cyber security team has to sign off every time we use AI on a serious use case, and that can take some time, and it slows us down. We think that slowing down is important, because we've got to get the balance right.

Have I answered all your questions, sir?

Mr Pang: (Shareholder) How about if Telstra's system gets attacked, will we take some legal actions against that? Because if we do, and all other listed companies will too, we will protect our Australian infrastructure.

To follow up on your point on the defence side, it will be beneficial for all the infrastructure companies if they get together to have the most special kind of defence system, something like what Hugging Face have done when they are intruded by the frontier model of OpenAI. Of course, I believe that Telstra will get the best of their choose from the government so that we can defend our infrastructure. Is that the case?

Craig Dunn: We work very closely with the security agencies, as do other major infrastructure organisations. Again, I don't want to go into too much detail, but I'll just say you'd expect us to be working to get the best possible models we can to defend Telstra, and we work very diligently to do that.

That's again why I made the point in my speech. The more digital infrastructure that underpins the rollout and support of AI that we have in Australia, the greater leverage and agency we have with discussions with other countries, and that's why I think that's important for us to understand that investment.

On your legal point, obviously if we were harmed in any way that affected our people or our shareholders, we would obviously pursue every legal redress that we could.

Nathan Burley: We'll take our next question from microphone number 3.

Moderator: Chair, I'd like to introduce again Mrs Waterhouse.

Rachel Waterhouse: (Australian Shareholders' Association, Shareholder) Thank you very much. There's been a lot of conversation around AI today. There's a lot of opportunity for Telstra and there's also risk to be managed. It would be great to hear from you, Craig, how you ensure you've got the latest and current AI skills on the Board.

Craig Dunn: Yes. That's a very good question, Rachel, because it is - in a large complex company, and I've had this discussion with a number of my Chair peers in other large companies in Australia, because in a large complex company like Telstra, there are so many disciplines, expertise disciplines, that you could say I would like on the Board - AI, cyber security, digitisation, marketing, culture, human resources. I'm not being silly, but you can go on and on.

The question is, how do you construct a Board that is best able to govern Telstra, given its strategy and the risks that it takes, and we take that very seriously. We're constantly looking about the make-up of our Board and whether we've got the right skills around the table.

Increasingly our view, and I think this is quite a common view amongst other Chairs, is that you obviously want to educate and self-educate as a Board, but increasingly I think you'll draw on expertise outside the boardroom to be in the boardroom to support the Board in undertaking its oversight role, just as Vicki increasingly will do the same as CEO, because there's also the point about at which, where does the Board go beyond their role and interfere with management?

Obviously, the Board needs to do what the Board needs to do, but the benefit of using some of that other expertise is they have more detailed expertise and more free reign to go to another level of detail. It's something we think about a lot as a Board and take it very seriously.

Rachel Waterhouse: (Australian Shareholders' Association, Shareholder) Thank you very much. I also just wanted to say that the Board skills matrix in the corporate governance statement is really good. It's a great example for other organisations to showcase the skills that they do have on the Board. We have chatted about a recommendation to put it in the annual report, but yes, that's a great step for Telstra.

Craig Dunn: We have, yes. Thank you, Rachel.

Nathan Burley: Our next question will be from microphone number 2 in the middle of the room.

Moderator: Chair, I'd like to introduce Mr Rose.

John Rose: (Shareholder) Thank you. This is John Rose, representing my super fund, self-managed super fund, and shares in my own name as well.

Craig Dunn: Good morning, sir.

John Rose: (Shareholder) Good morning. I was just wondering whether data centres, are you thinking of building some?

Craig Dunn: Sorry, sir. We'll just lower the microphone so we can, your fellow shareholders can hear your question. Sorry.

John Rose: (Shareholder) Thank you. With data centres, are you planning to build some or thinking of building some, or do you have a memorandum of understanding with others?

Also, do you have a goal with RO – return on invested capital, and do you have a memorandum of understanding with other overseas telcos?

Craig Dunn: Thank you, sir. I'm just taking notes on your three questions.

On data centres, we do have some data centres within Telstra, and from time to time we may choose to expand those. Building data centres is, just to be clear, I think maybe this is what you're going to, our strategy is not to get involved in the construction of data centres going forward.

Our strategy is to partner with data centres to provide them the connectivity so that they can achieve their goals and aims. We are seeing, because of AI and the greater investment in compute and data centres around Australia over time, we are seeing greater demand come through for our Aura Network, and that comes from data centre providers and broader hyperscalers and those involved in AI, so we do see it as a positive for the returns on the Aura Network that we've invested a significant amount of your capital in.

On other telcos, we don't have formal arrangements with them. Vicki's just been re-elected to - I won't get the acronym right, Vicki, but there's GSMA, which is the global mobile operators around the world.

Vicki represents Telstra on that Board, and that's important for us. It is part of the reason we have directors on our Board, Roy and Eelco, who are from other countries, as they bring the expertise of other mobile networks from other jurisdictions, which we can always learn from.

Vicki certainly does that, and indeed sometimes when we do Board education trips, we will actually meet with offshore telcos to understand their strategy and how they're governing the organisation.

I'm really sorry, sir, I forgot your second question. I apologise. I wrote down, goal, and I didn't write the earlier point. I beg your pardon.

John Rose: (Shareholder) A return on invested capital. Do you have a percentage goal?

Craig Dunn: I beg your pardon. Yes, thank you. Yes, we do, sir.

Under our Connected Future 30 strategy that Vicki and Michael launched a year or two ago, we have a return on invested capital target of 10% by 2030. Thank you, sir.

Nathan Burley: Microphone number 3.

Moderator: Chair, I would like to introduce Peter Starr again.

Peter Starr: (Shareholder) Thank you, Craig. In relation to our customers and the enterprising around that, what steps are we taking to fix customers' issues and also, are all our call centres back in Australia now? Are we still overseas? Have we still got India processing things? What's going on?

Craig Dunn: Yes, sure. Thanks, Peter.

Just on our call centres, some years ago we did move most of our call centres back from other parts of the world to Australia. Again, if I use the category of our consumer and small business callers, if they make a call to our call centres in business hours, that will be answered in Australia. If they make a call outside of hours, obviously that becomes more challenging, and we do use some of our international call centres to make those calls.

One of the changes that we've made, I think it's over the last 12 months, Vicki, is 24/7 access to customers for certain functionality in what we do. Obviously, that's much easier to do if we can use offshore call centres to work in hours which is more difficult for us to do in Australia. We're very committed to using Australians to answer our calls, and as I said in some instances, we do use offshore call centres.

From time to time, we do partner with global partners, and we do have global partnerships in India. That is tended to be driven by where we believe they've got an area of expertise or capability that we can't access in Australia or scale at the same speed that they can.

This is a slightly different answer to your question, but obviously we've got a global partnership with Accenture on the application of AI. We think that partnership has been really important. I think, Vicki, you'd probably say it's propelled our positioning on AI two or three years ahead of what we would have [unclear] do, and I think using them means we've got a greater control over how we use AI.

Those global partnerships are important. As I said, they're mostly about making sure we can bring the expertise and scale to some of the work that we do in Australia to improve customer services that can't be done easily on our shores.

Peter Starr: (Shareholder) Just to follow up, is there any processing of any of the moneys for any of the Telstra businesses offshore through any Indian companies? The reason I ask that, Craig, is because about 18 months ago, a client - and we were dealing when, if you remember when the businesses, we split them, and so if we ever were going to do things some years ago.

I noticed that a payment that my client made to have some stuff moved, and that payment was processed in India, then when it came back, it was processed through India. I just want to know, is that still happening, and why is that happening?

Given that - my concern there is that we hear so much of scams and that, and I think you're aware and the Board is aware that I raised with Vicki about six months ago where our logo, our Telstra logo, was actually on the internet and I also raised it with her Chief of Staff, Jen Bryce, because it really disturbed me as a shareholder to see our logo being used by scammers, and I was

concerned that Vicki didn't know about it, and then I brought it to her attention, and obviously she acted on it.

That goes to, we run those campaigns to try and stop the scammers, but there's a lot of - I get the things with the messaging and the texters, but let me tell you, Vicki, there's a lot.

I was deeply disturbed by that, as you know, because I thought, that's our logo that's representing everybody here in this room, and scammers are using it. I made you guys aware of it, and obviously you acted pretty quick, but I don't understand why, when Vicki speaks to Google and Microsoft, especially Google, why are we still getting so many junk or scam emails? It's horrendous.

I can't understand - and Vicki, you're on those international Boards and different things and you're really at the coalface to be able to take it and raise these things on behalf of everybody to try and get some better protection as far as the emails and the scams that are going on with emails. It's horrendous, Vicki, but through you, Mr Chair, maybe Vicki might want to comment on that.

Craig Dunn: Sure, of course, Peter. Obviously, it's something we take very seriously, but why don't I pass to Vicki to comment, because she's obviously involved in a lot of those discussions, including discussions with the government and other infrastructure providers and the banks in Australia.

I really appreciate you bringing that to our attention, Peter, that's important. This is just an awful thing that keeps happening, and innocent people, and often, as we both know, often more elderly and vulnerable people get exposed to these awful scams, which is just a really, really bad thing to happen. Vicki, do you want to touch on that?

Vicki Brady: Yeah, no, and thanks, Peter, for your question and your passion for this. I know you always will call out when you see us being misrepresented out there. We appreciate that. Just on your first point, it'd be really good following the meeting to get the details of the one you were mentioning that referenced processing through India. I'd be keen to just understand that one offline. Just on scams overall, a few comments.

As you said, I mean, it is now - it's just a massive criminal operation around the world that are looking to scam people all the time. We see our logo, for example, get scraped off the internet and suddenly makes these scammers look very professional. So we're alert to it, but obviously it's very difficult to pick everyone up.

The things I would say, as Craig referenced, here in Australia, there is work going on now to implement the Scams Prevention Framework that will bring together the banks, financial institutions, the telcos, and the digital platforms to have to be part of how obligations are undertaken and enforced.

We think that's an important step forward because, as you said, there are a lot of pieces to these chains where things happen. So, we're very active in working in that, to implement that from our point of view as a telco in that. I would just, again, encourage anyone, any time you get contacted, someone's representing to be Telstra, please, if you're not sure, just hang up or don't answer an email or don't click on a link and call us at one of our numbers that you know is us or come in and talk to us in store as well. Because, yeah, these people are sophisticated and they're using all of this technology we're talking about that can be used for good. They're not using it for good.

I just want to reinforce, we're investing, we have very capable teams, but it is very difficult to stop these scams. People move very fast and are using very sophisticated means to do it. So, I just encourage you to please be alert.

Peter Starr: (Shareholder) Thank you, Vicki, and I really appreciate the answer. That's what disturbs me is our logo, and it was clearly being scammed. That's why I wanted to make you aware of it, and you acted very quickly, so you need to be congratulated for that. It's no different to when I spoke to Matt Comyn some weeks ago about him and AI generated with him and Alan Kohler. They're telling people, open this account and you'll double your money.

There is the prime minister and AI. Is anybody in government looking at what the hell's going on, seriously? Because I've been to some of those senate estimates and it's like, oh really, I didn't know that was there. Well, it is there, and it doesn't seem to be - we have the cyber security you told me about and I've had a look at it in Canberra.

It just doesn't seem that we're making a dent. That's my concern. I think about - you're right about scams. I mean, the scams of the banks and lonely heart scams and sextortion. 60 Minutes did the program about three months ago about what was going on in, I think it was Nigeria, where there's a whole building set up. They're just - their idea is to scam 10 people a day.

Craig Dunn: Thank you, Peter, we agree with you. We appreciate you again, making that available to us and bringing that to our attention.

Nathan Burley: Craig, that concludes the question session for this item.

Craig Dunn: Great, okay, thank you, Nathan. Thank you, shareholders. So, as Nathan said, we've now finalised discussion of item (2) on our agenda. Next up is item (3). This is the director election and re-election. To assist with the efficient conduct of the meeting, I'll deal with the re-election of Maxine and Ming and the election of Holly together. I'd now like to ask Maxine, Ming and Holly to address the meeting, starting with Maxine. Welcome, Maxine.

Maxine Brenner: Good morning, fellow shareholders. It's been a real privilege to serve on the Telstra Board for the past three years, and with your support, to continue for another term. I've spent much of my working life advising large and complex organisations as a banker, lawyer, and on Boards across telecommunications, retail, energy, finance, aviation, industrial, and food and education.

If that experience has taught me anything, it's to stay curious, exercise judgment, and keep asking questions, including the uncomfortable ones. Telstra has made enormous progress over the past three years. We're a stronger business. We have delivered improved return to shareholders while continuing to invest in technology that millions of Australians depend on. We've strengthened our infrastructure, expanded our network, and worked hard to drive always-on reliability.

As this year showed, we don't always get everything right. It is an obligation that has to be earned every day. Where we haven't, our responsibility as a Board is to double down on challenging our assumptions, learning from what's occurred, and ensuring the right responses are taken on a timely basis. There's much about Telstra of which I'm enormously proud. Telstra is evolving from a traditional telco to becoming Australia's leading connectivity and digital infrastructure company. That is particularly important in a time where data and mobile dependency is escalating daily.

If re-elected, I will continue to bring my experience, independent judgment and a willingness to challenge together with enormous enthusiasm for Telstra and what this Company can become. Working with Vicki and her very impressive management team, it would be a privilege to serve with my Board colleagues to achieve our CF30 goals and contribute to our success for the future, the future of our shareholders, employees, customers, and the wider stakeholder community. Thank you for your consideration.

Craig Dunn: Thank you, Maxine. Ming, please.

Ming Long AM: Thanks, Craig, and good morning, everyone. I am grateful for a chance to serve through a company that matters to Australia. Most of us owns a piece of Telstra, if not directly, then probably through our super fund. As shareholders, as customers, as anyone who relies on our digital infrastructure, how Telstra performs matters to all of us. I also know that dealing with Telstra isn't always easy. Part of my job is to work with the management team to make it simpler and to keep you connected as the technology underneath keeps changing.

Telecommunications seems like magic, but the physics and engineering of it is complex and evolving more quickly than ever. In not much more than a generation, we've gone from dial-up down the copper line to terabits per second. The next leaps in quantum, in AI, in sovereign capability will shape our country's future. It takes relentless and disciplined investment to build the resilience for bigger challenges ahead. The threats are real and growing, and cybersecurity is chief among them.

That is the work behind putting the knowledge of the world securely in your hands. None of it happens without an ambitious and focused management team. Vicki and her team are exactly that, and they have my confidence. Resilience and innovation don't come quickly. They are built through sustained, focused investment. That is the lens I try to bring to the Board, and it's the work I would like to continue on your behalf. Thank you.

Craig Dunn: Thank you, Ming. Welcome, Holly, to your first Telstra AGM. It's great to have you here.

Holly Kramer: Thank you, Chair. Good morning, everyone. It's a pleasure to be here. For me, it's a rare privilege to have the opportunity to return as a Board director to a company that I worked at for much of my executive career. As a product and marketing executive at Telstra from 2000 to 2009, I witnessed an extraordinary decade, which started with fixed line calling plans like Easy Saver Plus and BigPond dial-up internet and then evolved into 3G wireless broadband, iPhone apps, and the early days of business migration into the cloud. Now, two decades later, we enter yet another new era of technology with 6G on the horizon, and as you've heard much about today, an AI revolution underway.

If elected as a director, I will bring a strong sense of pride and responsibility to my role as a steward of a company that has such an important role to play in the lives of all Australians, whether that's building the communications infrastructure on which much of our economy operates, or whether it's helping to bridge the digital divide by providing services and skills to our most remote and digitally excluded communities.

I will bring to this role the capabilities that I have developed over more than 30 years in business at Telstra and elsewhere around serving customers, identifying their needs and expectations, and working to deliver to them in a way that offers genuine value.

I'll also bring the skills that I've developed over the past 10 years as a Board director in many other large and complex businesses and industries. These skills include stewardship and governance, risk and remuneration management, and thoughtful capital allocation, which I know was raised earlier today.

One thing that I have learned, sometimes the hard way, is that big companies don't always get everything right. But the good ones strive to do the best for their customers, build the right culture for their employees, and ultimately deliver for you, the shareholders.

When they don't get it right, they own up to their mistakes, learn from them, and do better in the future. I believe that Telstra is one of those great companies and always strives to do the right thing. It's a company and a team that I would be proud to be a part of once again. So I thank you for considering me for that opportunity and for your time this morning. Thank you.

Craig Dunn: Thank you, Holly. Okay, then. So if you have any questions on Maxine or Ming's re-election, or indeed Holly's election, please go to the nearest microphone or submit your question online.

The Board, other than Maxine, Ming and Holly in respect of their own re-election or election, recommends the re-election of Maxine and Ming and the election of Holly. The proxy and direct voting position for items 3A, 3B and 3C are now being shown on the screen. So we'll move now to questions on this item. Nathan, do we have any questions, please?

Nathan Burley: We do have some questions, Craig, and I'll start online. This question is from Stephen Mayne. I asked Telstra to move to annual director elections at the 2024 AGM and Chair Craig Dunn said you would look at it. Did you have a formal Board discussion on this issue supported by a paper from management?

If the likes of BHP, News Corp, Rio Tinto and Treasury Wine Estates all have annual director elections, why don't we adopt this best practice which is now mandatory in both the UK and the US? Why do the three directors up for election today think - sorry, what do the three directors up for election today think about annual director elections?

Craig Dunn: Thank you for that question. So I have discussed, and I remember that question from last year, and I have discussed that with my colleagues. I mean, our view is we don't think it serves better corporate governance.

I think one of the challenges we already have in Australia is the focus of companies too much on the short term, and the benefit of directors being elected every three years is that they focus very much on the mid or longer term and not the annual results specifically, given their potential re-election or not, every year.

So, again, we just don't think it leads to better corporate governance and we don't support it.

Nathan Burley: We'll go to a question in the room. Microphone number 3.

Moderator: Chair, I'd like to introduce Peter Starr again.

Craig Dunn: Welcome back, Peter.

Peter Starr: (Shareholder) Thanks Craig. Just quickly, I think it's very good, we'll certainly be supporting Ming. I think it's really good to have somebody that's of Asian-Australian on the Board. I think it's really good. Holly, how are you? We'll be voting for you.

Craig Dunn: Thank you, Peter. Ming, of course, is also the chair of CSIRO. So she's got a very big role somewhere else so it's a great pleasure to have on our Board, as it is Maxine, and of course, it's lovely to have Holly back around the Telstra tables. Thank you, Peter.

Nathan Burley: There is no more questions on this item, so that concludes the question session for these items.

Craig Dunn: Great, thank you, Nathan. So we've now finalised our discussion on items 3A, 3B and 3C. As indicated in the notice of meeting, I intend to vote all available proxies in favour of the re-election of Maxine and Ming and the election of Holly. If you haven't already done so, please now complete your voting card for items 3A, 3B and 3C.

Okay, so items 4 and 5 on today's agenda are set out in the notice of meeting and are now being shown on the screen. These items relate to the allocation of equity to our CEO, Vicki Brady, and to the adoption of our 2026 Remuneration report or REM report for short.

These items are well covered in the notice of meeting and of course the REM report, so I don't propose to go into too much detail here, although I will comment in a moment briefly on the executive remuneration outcomes for FY26.

Items 4 and 5 will be voted on separately, but as they both relate to remuneration, we'll now deal with them together as one. The Board recommends that shareholders vote in favour of both these items.

As noted in both Vicki's and my earlier remarks, 2026 was a year of strong performance and appropriately this was reflected in the pay outcomes for our senior executives. Despite this strong performance though, as I mentioned earlier, the Board reflected the 8 July outage and its impact in the executive remuneration outcomes for FY26.

The outage occurred after the close of the FY26 performance year and at the time of making its decision, the Board did not have the benefit of the external experts' report. However, it was clear from management's review of the outage and as noted by Vicki around the cause, that was confirmed by the external expert and that was within our control.

Because of this, the Board took the view that the senior executive team should bear accountability in FY26. We reduced the individual performance multiplier for the CEO and the former Group Executive Global Networks and Technology by 20 percentage points and for the remaining senior executives, by 10 percentage points each to reflect shared accountability.

Importantly, the targets for the FY27 STI scorecard have not been reduced to reflect any potential impact of the outage in the coming year. For example, should the impact of the outage lead to a lower net promoter score for FY27, this will be reflected in the pay outcomes for 2027.

So if you have any questions regarding items 4 or 5, please come to your nearest microphone or submit your questions online. The proxy and direct voting positions for items 4 and 5 are now being shown on the screen. As indicated in the notice of meeting, I intend to vote all available proxies in favour of the grants to Vicki and the adoption of the 2026 REM report.

So Nathan, do we have any questions on these two items?

Nathan Burley: We have another question online from Stephen Mayne again. The question is, at the 2024 AGM, I asked CEO Vicki Brady to summarise her past LTI grants as to whether they have vested or lapsed since she joined Telstra in 2016.

The Chair monopolised the response, so let's try again with the CEO speaking for herself this time. Could Vicki please summarise her share ownership history at Telstra, including LTI vesting and on-market trades? Please don't say look it up in the annual report and through ASX announcements. It's complicated, and the CEO could factually summarise the situation in 60 seconds.

Craig Dunn: Okay, thank you, Mr Mayne for that question. It is complicated and I don't think Vicki could summarise it in 60 seconds. It is set out in the various annual reports and REM reports. What I will do, I'll commit to write to you separately, Mr Mayne, after the meeting and setting out those details for you so you've got it to hand.

Nathan Burley: There are no further questions so that concludes the question session for these items.

Craig Dunn: Thank you, Nathan, and thank you, shareholders, once again. If you haven't already done so, please complete your voting card for items 4 and 5. So, shareholders, that concludes the formal business of today's Annual General Meeting. Please put your voting card in one of the ballot boxes located throughout the room and near the exits. The poll will remain open for a further 10 minutes.

The results of the poll will be made available later today on the websites of the ASX and Telstra. I now declare our 2026 Annual General Meeting closed, subject to finalisation of the poll on items 3 to 5. Shareholders, on behalf of the Board, thank you very much for joining us today and thank you for your ongoing investment in Telstra. Thank you.

[END OF TRANSCRIPT]