



# Proposed legal restructure – Frequently Asked Questions

## General FAQs

### **1. What is the proposed Corporate Restructure?**

The Corporate Restructure is a legal re-organisation of the Telstra Group. Under the Corporate Restructure, a new structure will be established, with New Telstra Corp as the head entity of the Telstra Group.

Four key subsidiaries will sit under New Telstra Corp:

- ServeCo (to be known as Telstra Limited) – which will own and operate the ServeCo Business;
- InfraCo Fixed – which will own and operate the InfraCo Fixed Business;
- Amplitel – which owns and operates the Amplitel Business. The Telstra Group's 51% interest in Amplitel is held by Amplitel HoldCo; and
- Telstra International – which will own and operate the International Businesses.

All of these businesses will continue to focus on creating innovative products and services, supporting customers and delivering an exceptional customer experience. Intercompany agreements (ICAs) have been or will be established between the entities to help ensure they each have the infrastructure access, services and support required to enable them to achieve this.

### **2. What is the purpose of the restructure?**

The restructure aims to increase the transparency of our infrastructure assets, improve management focus on our infrastructure and customer businesses, and create greater flexibility and optionality to realise value from the Telstra Group's fixed assets over time.

The Corporate Restructure is an internal legal re-organisation and will not, in itself, result in any immediate change to the underlying assets and business activities of the Telstra Group as a whole.

### **3. Why are you making these changes now?**

The challenges and disruptions of the last two years have reinforced three things. Firstly, the increasing value of infrastructure assets globally; secondly, the importance of the digital economy, not only to business but to the whole of Australia and its economic recovery; and thirdly, the dependence of the digital economy on telecommunications infrastructure.

As businesses and homes become increasingly digitised, our dependency on connectivity is only going to increase. Our proposed new legal structure reflects this and will help us support the foundation for it – one that is in the interests of our shareholders, our employees, our customers, and the country overall.

### **4. When will the restructure take place?**

Subject to obtaining shareholder and court approval we expect the new holding company to be in place by 31 October 2022 and the Business Restructure Implementation (including the transfer of contracts to the new entities) to complete on 1 January 2023.

### **5. What are the remaining steps to complete the restructure?**

Telstra is using a Scheme of Arrangement to implement key parts of the restructure as the most practical and efficient way to create the new Telstra Group. The restructure involves

the transfer of assets and liabilities within entities of the Telstra Group, and the Scheme of Arrangement will enable those assets and liabilities to be transferred by order of the Court.

The Scheme of Arrangement needs to be approved by the Court and Telstra shareholders through several steps that need to occur in sequential order. The specific timing of events is dependent on the Court process, with the estimated timeline set out below:

Key steps	Anticipated Timing
Scheme meeting (and shareholder vote on Scheme Resolution)	To be held on 11 October 2022 immediately following Telstra's 2022 Annual General Meeting, but not before 12:30pm (Sydney time). See the <a href="#">Scheme Booklet</a> for more information.
Telstra Group Limited becomes new parent company and listed entity (through exchange of shares)	By 31 October 2022
Business Restructure Implementation date	1 January 2023

These dates and times above are indicative only and Telstra reserves the right to vary them. Telstra will make an announcement to the ASX if that occurs. Unless otherwise specified, all dates and times in this [Scheme Booklet](#) refer to the time in Sydney, Australia.

## 6. How can I be confident that Telstra will continue to be domiciled in Australia?

The Telstra Corporation and Other Legislation Amendment Act replicates the obligations on Telstra in the Telstra Corporation Act to New Telstra Corp, InfraCo Fixed, ServeCo and Amplitel initially. These obligations will continue even if these companies leave the Telstra Group. This means that for each of New Telstra Corp, InfraCo Fixed, ServeCo and Amplitel, foreign persons (in aggregate) cannot have an interest of more than 35% of the shares in those companies and a single foreign person (together with its associates) cannot have an interest of more than 5% of the shares in those companies. Additionally, each of New Telstra Corp, InfraCo Fixed, ServeCo and Amplitel must ensure that:

- its head office and the base of operations is in Australia;
- its chairperson and the majority of its directors are Australian citizens; and
- that two of its directors have knowledge of regional, rural or remote areas.

The Minister may remove or add entities to which the particular foreign investment restrictions or governance obligations apply. These provisions have come into effect and are not dependent on the Corporate Restructure being implemented.

## 7. Will there be any change to how I pay for my Telstra services?

Telstra reviews its banking arrangements periodically, however this is unrelated to the legal restructure. If there were to be any changes to how you pay for Telstra services in the future we would contact you directly, and we would aim to provide you with sufficient notice to enable you to update any systems with new payment details.

## 8. Why don't we need a formal novation or variation to transfer our contract?

There's no need for a formal novation or variation because Telstra is seeking to transfer your contract using a completely different mechanism: a legislative scheme of arrangement under section 413 of the *Corporations Act 2001*.

This section 413 allows a court to order the transfer of all or part of a company's undertaking, property and liabilities (including its contracts) to another company as part of an approved corporate restructure. Once the court makes the order, then 'by virtue of the order',

the relevant property and liabilities (including contracts) are transferred to the relevant company (s 413(2) of the *Corporations Act 2001*).

#### **9. Which contracts will be exempt and not transferring to Telstra Limited?**

Exempt Contracts that will not be transferred from Telstra Corporation Limited to Telstra Limited as part of the restructure include contracts solely relating to:

- Telstra's passive or physical infrastructure assets supporting our fixed line telecommunications network (including ducts, fibre, data centres and exchanges);
  - Telstra's passive or physical mobile tower assets; and
  - Telstra's international business and assets.
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### **Shareholder FAQs**

Access the [Telstra Annual General Meeting page](#) which features the Scheme Meeting details and the [Scheme Booklet](#), which provides shareholders with the information they need to vote on the proposed Scheme.

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### **Enterprise Customer FAQs**

#### **10. How will the legal restructure affect Telstra Enterprise customers who have a contract directly with Telstra Corporation Limited??**

As a Telstra Enterprise customer, the restructure will have no impact on the products, pricing, services or support you currently receive from us. You'll continue to interact with Telstra as you always have.

The only change for you will be that the customer contract you have with Telstra Corporation Limited will be transferred to a different legal entity within our group structure.

#### **11. How will the restructure benefit customers?**

For our customers, we will continue to focus on investing in the networks that enable our customers to thrive in a digital economy, and creating the best possible service experience. We understand that customers should not have to think about what telecommunications technology enables them; they just want it to work when they need it, to suit their needs and to be affordable.

To enable this, we need all telecommunications technologies to work together to meet the growing demand for data and to support our digital interactions. Having InfraCo Fixed and Amplitel, businesses solely focussed on optimising every single aspect of our networks infrastructure, and a business (through Telstra Limited) using the latest software, radio technology, electronics and network smarts to bring it to life and provide the best coverage and customer experience in the industry, will help us achieve this.

#### **12. Why have I received more than one notice about the legal restructure from Telstra?**

You may have received more than one notice from Telstra about the legal restructure because your organisation may have a number of different relationships with Telstra or its subsidiaries (for example, both as a supplier and a customer).

If you do not believe that to be the case please email [TelstraRestructure@team.telstra.com](mailto:TelstraRestructure@team.telstra.com).

**13. Does this change who my account manager is/who I deal with?**

There is no change to how you interact with Telstra Enterprise. You'll continue to work with the same people as you do today.

**14. Does my contract automatically get transferred to the new entity?**

If your contract is with Telstra Corporation Limited - yes, your contract will be automatically transferred to the new entity once the restructure is complete.

We are restructuring through a legal procedure called a "scheme of arrangement". As part of this, we intend to seek court orders to transfer your contract from Telstra Corporation Limited to Telstra Limited. If the Court makes these orders you will not need to do anything further, the Court's order will be sufficient to move the contract (read more under General question 9).

**15. Will there be any change to how I pay for my Telstra services?**

Telstra reviews its banking arrangements periodically, however this is unrelated to the legal restructure. If there were to be any changes to how you pay for Telstra services in the future we would contact you directly, and we would aim to provide you with sufficient notice to enable you to update any systems with new payment details.

**16. What happens next? Do I need to do anything?**

There's nothing you need to do. We'll aim to confirm the transfer of your service or plan on the day it occurs.

We will contact you directly if there are any other impacts on your contract that we need to discuss with you.

**If you can't find the answers you're looking for or have any concerns, please complete the [enquiry form](#) on this page and we'll get back to you.**

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## **Partner & Supplier FAQs**

**17. How will the legal restructure affect Telstra's partners and suppliers that have a contract directly with Telstra Corporation Limited?**

As a Telstra partner or supplier, the restructure will have no impact on the partnership you have with us, or the products or services you currently supply to us. You'll continue to interact with Telstra as you always have.

The only change for you will be that the contract you have with us will be transferred to a different legal entity within our group structure, which means we will issue purchase orders with (and require invoices containing) the new name and ABN. Members of Telstra group may continue to buy and use the products and services you currently supply to us under your contract, which may include Telstra Limited procuring your products and services for other Telstra group members.

**18. What happens if after the restructure, more than one Telstra group member buys or uses your products or services?**

We will work with you on a case-by-case basis to ensure supply continuity of your products or services across the Telstra group.

**19. Does my contract automatically get transferred to the new entity?**

Yes, your contract will be automatically transferred to the new entity once the restructure is complete.

We are restructuring through a legal procedure called a “scheme of arrangement”. As part of this, we intend to seek court orders to transfer your contract from its Telstra Corporation Limited, to Telstra Limited. If the Court makes these orders you will not need to do anything further, the Court’s order will be sufficient to move the contract.

We’ll contact you if our position changes and your contract will stay with the current Telstra Corporation (ABN 33 051 775 556) entity.

**20. What happens if my contract is currently with a different Telstra group entity - that is, not Telstra Corporation Limited?**

If your contract is with a different Telstra group entity, nothing changes and there's nothing you need to do. Your contract will not move at this time.

We will contact you directly if there are any other impacts on your contract that we need to discuss with you.

**21. What happens next? Do I need to do anything?**

There’s nothing you need to do. Your contract will be automatically transferred to the new entity once the restructure is complete.

We will contact you directly if there are any other impacts on your contract that we need to discuss with you.

**22. Who do I contact if I have concerns about the transfer of my contract to Telstra Limited?**

If you have any other questions or concerns, please contact our ! Telstra Legal Restructure Supplier Communications email address on: [F1802128@team.telstra.com](mailto:F1802128@team.telstra.com)

**23. Will there be any change to how we do billing?**

The system for eInvoicing will remain the same for our suppliers with the only change relating to referencing the new company name, ABN and purchase order details.

**24. Will anything change with the current supplier support arrangements, such as the supplier portals or the assistance centre?**

There is no change to these arrangements and the assistance centre will still provide support for all suppliers. Additional hypercare support will be provided post go-live to support our suppliers through this period.

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**Property FAQs**

**25. How will the legal restructure affect Telstra’s arrangements with its landlords?**

As a property owner, the restructure will have no impact on the property arrangements you currently have with us. You’ll continue to interact with Telstra as you always have.

The only change for you will be that the lease you have with us will be transferred to a different legal entity within our group structure.

**26. Will my lease agreement automatically get transferred to the new entity?**

Yes, your lease will be automatically transferred to the new entity once the restructure is complete.

We are restructuring through a legal procedure called a “scheme of arrangement”. As part of this, we intend to seek court orders to transfer your lease from its current Telstra entity, to

Telstra Limited. If the Court makes these orders you will not need to do anything further, the Court's order will be sufficient to move the lease.

**27. What happens if my lease is currently with a different Telstra group entity - that is, not Telstra Corporation Limited?**

If your lease is with a different Telstra group entity, nothing changes and there's nothing you need to do. Your lease will not move at this time.

We will contact you directly if there are any other impacts on your lease that we need to discuss with you.

**28. What happens next? Do I need to respond or confirm acceptance of the new entity?**

There's nothing you need to do. Your lease will be automatically transferred to the new entity once the restructure is complete.

We will contact you directly if there are any other impacts on your leases that we need to discuss with you.

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**Consumer & Small Business Customers FAQs**

**29. Why is Telstra doing this restructure?**

The legal restructure is designed to help us create additional value for shareholders. The way we'll do this is by increasing the focus on each business in the Telstra group individually. This is to enable us to better realise the value of our infrastructure assets, take advantage of potential monetisation opportunities and create additional value for our shareholders.

We will still be the same Telstra that has been connecting Australians for more than 100 years, except we will be structured in a way that will deliver the best outcomes for the Telstra Group as a whole.

**30. How will the legal restructure affect Telstra's consumer and small business customers?**

As a Telstra consumer or small business customer, the restructure will have no impact on the products, pricing, services or support you currently receive from us. You'll continue to interact with Telstra as you always have.

The only change for you will be that the customer contract you have with us will be transferred to a different legal entity within our group structure.

**31. How will the restructure benefit customers?**

For our customers, we will continue to focus on investing in the networks that enable our customers to thrive in a digital economy and creating the best possible service experience. We understand that customers should not have to think about what telecommunications technology enables them; they just want it to work when they need it, to suit their needs and to be affordable.

To enable this, we need all telecommunications technologies to work together to meet the growing demand for data and to support our digital interactions. Having InfraCo Fixed and Amplitel businesses solely focussed on optimising every single aspect of our networks infrastructure, and Telstra Limited, a business using the latest software, radio technology,



electronics and network smarts to bring it to life and provide the best coverage and customer experience in the industry, will help us achieve this.

**32. Why have I received this email/text/note on the back of my bill about Telstra transferring my account?**

To complete the restructure we need Court approval. To help with the Court approval, we need to formally notify all of our customers about the proposed change and we also need to give you the opportunity to provide feedback and raise any concerns. This note you've received is just us letting you know the internal transfer will be taking place. We'll publish further updates on the restructure timeline here in this FAQ document, and we'll let you know when the transfer has occurred. We'll also place a newspaper notice confirming details of the Court hearing where we will seek approval.

We'll publish further updates on the restructure timeline here in this FAQ document (see General FAQs Q4) and on the webpage: [telstra.com/telstralegalrestructure](https://telstra.com/telstralegalrestructure)

**33. Why does the message I received talk about my personal information? Is my personal information still safe?**

The personal information we hold about you will be transferred internally within the Telstra Group and will continue to be handled in accordance with the Telstra Privacy Statement which is available at [telstra.com.au/privacy](https://telstra.com.au/privacy)

**34. Why does the message say it's from both Telstra Corporation Limited and Telstra limited?**

This is a legal requirement. We need to let you know on behalf of both companies within the Telstra Group that the change is taking place, so the message is from both Telstra Corporation Limited (where your account currently sits) and from Telstra Limited (where your account will sit when we complete the internal transfer).

**35. Will there be any change to how I pay for my Telstra services?**

Telstra reviews its banking arrangements periodically, however this is unrelated to the legal restructure. If there were to be any changes to how you pay for Telstra services in the future we would contact you directly, and we would aim to provide you with sufficient notice to enable you to update any systems with new payment details.

**36. Will there be any change to my Foxtel from Telstra service?**

If you have a Foxtel From Telstra service, this will continue to be provided by Telstra Pay TV Pty Ltd and included on your Telstra bill.

**37. Will there be any change to my streaming services such as Netflix, Foxtel Now, Binge, Kayo and others?**

If you have a third party streaming service that you've agreed to have billed on your Telstra bill, this will continue to be the case. However your Telstra bill will be issued by Telstra Limited following implementation of the restructure.

**38. What happens next? Do I need to do anything?**

There's nothing you need to do. We'll aim to confirm this change on the day it occurs.

We will publish further updates on the restructure timeline here in this FAQ document (see General FAQs Q4) and on the webpage: [telstra.com/telstralegalrestructure](https://telstra.com/telstralegalrestructure)