

Telstra Corporation Limited

# 2015 ANNUAL GENERAL MEETING

Tuesday 13 October 2015 at 9.30am  
(Melbourne time)

**Savoy Ballroom**  
Grand Hyatt Melbourne  
123 Collins Street  
Melbourne Victoria



# 2015 ANNUAL GENERAL MEETING

28 August 2015

Dear shareholder

I am pleased to invite you to the 2015 Annual General Meeting (AGM) of Telstra Corporation Limited, which will be held on Tuesday 13 October 2015 at 9.30am (Melbourne time) in the:

**Savoy Ballroom  
Grand Hyatt Melbourne  
123 Collins Street  
Melbourne Victoria**

To help keep you informed about your company, we have included with our Notice of Meeting some additional information about our business and our year at a glance for the 2015 financial year. The Notice of Meeting, outlining the items of business which you will be asked to consider at the AGM, commences from page 3.

Shareholders attending the AGM can register from 8.30am at the venue. Information on how to get to the Grand Hyatt Melbourne appears on page 8.

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

Enclosed with this Notice is your personalised Voting Form and a Shareholder Question Form which provides an opportunity for shareholders to ask questions related to the items of business before the AGM. Frequently asked questions will be addressed either by Andrew Penn, Chief Executive Officer or myself at the AGM.

The AGM will be webcast live at [telstra.com/agm](http://telstra.com/agm) (unmetered for BigPond® customers) and also broadcast on BigPond Live! Channel 919 on Telstra T-Box®.

This year there are three directors standing for re-election – Mr Russell Higgins, Ms Margie Seale and Mr Steve Vamos.

Mr Geoff Cousins and Mr John Zeglis, each having served nine years as a Director, have notified the Board they do not intend to stand for re-election and will therefore retire from the Board at the conclusion of this meeting. Mr Cousins and Mr Zeglis have played a significant role in helping to oversee the evolution of Telstra through a period of substantial change in the telecommunications industry. Mr Zeglis chaired the Board's Technology Committee from 2009 to 2012, and Mr Cousins has served on the Remuneration and Nomination Committees since 2007. On behalf of the Board I extend our sincere thanks to both Geoff and John for their very substantial contribution to the Board during their tenure.

In light of these vacancies your Board is pleased to nominate Ms Traci (Trae) Vassallo as a candidate for the position of Director, in accordance with the provisions of Telstra's Constitution. Please refer to page 5 of this Notice for more information on Ms Vassallo's experience and suitability to fulfil this role.

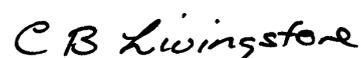
The Telstra Board (other than the relevant Director in relation to his/her own re-election) recommends the re-election of your three serving Directors and the election of Ms Vassallo.

If you are unable to attend the AGM we encourage you to lodge your vote in advance. You can lodge your vote online at [vote.linkmarketservices.com/tls](http://vote.linkmarketservices.com/tls) or return your Voting Form in the envelope provided. For more information on voting, please refer to pages 3 and 4 of this Notice.

Please contact the Telstra Share Registry on (+61) 1300 88 66 77 if you have any queries regarding the AGM or your shareholding.

On behalf of my fellow Directors, I look forward to welcoming you to the 2015 AGM.

Yours sincerely



Catherine Livingstone AO  
Chairman

## Retail Shareholder Information Meetings

If you are unable to attend the AGM in Melbourne, please refer to page 9 for details on our Retail Shareholder Information Meetings being held around Australia during September.

## Customer service staff at the AGM

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

# THE YEAR AT A GLANCE

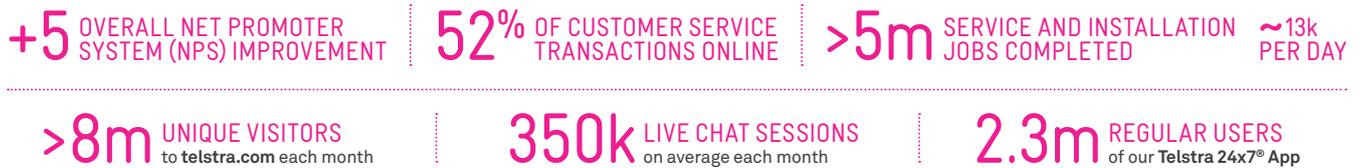
## Financial highlights



## Driving value from the core



## Customer service



## Growth and international expansion



## Sustainability



<sup>1</sup> Profit for the year from continuing operations. For more detail refer to page 20 of the Annual Report.

<sup>2</sup> Total income figures are on a continuing operations basis and exclude finance income. On a guidance basis total income was \$26.3b. Please refer to the Annual Report on page 20 and page 180 for more detail and guidance reconciliation.

<sup>3</sup> Including gross debt.

<sup>4</sup> Announced in November 2014. The Most Respected Companies list is the result of a study conducted by Financial Review Group in partnership with global management consultancy Hay Group.

# OUR BUSINESS

## OUR PURPOSE

To create a brilliant connected future for everyone.

### To create

The brilliant connected future won't happen on its own. It has to be created. Telstra can bring together the parts to create it.

### A brilliant connected future

This is our aspiration for every one of our customers. And in every market in which we operate.

### For everyone

We can only create such a future for everyone when enough people can access technologies that create social, economic and cultural change.

## OUR VISION

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

## OUR STRATEGY

Our strategy is focused on driving growth and creating long term shareholder value. It has three key pillars.

Our Strategic Priorities		
Improve Customer Advocacy	Drive Value from the Core	Build New Growth Businesses
We're dedicated to improving customer service and creating advocates in all our customers.	We strive to deliver customer and revenue growth, network leadership and productivity improvements through simplifying our business.	We continue to look for new opportunities in new geographies and in new business sectors.

## OUR VALUES

At Telstra, we have five values. Our values express what we stand for and are core to our business. As a values-led organisation, they shape our peoples' decisions and actions. They guide how we work together. We align everything we do with them.

Show you care	Better together	Trust each other to deliver	Make the complex simple	Find your courage
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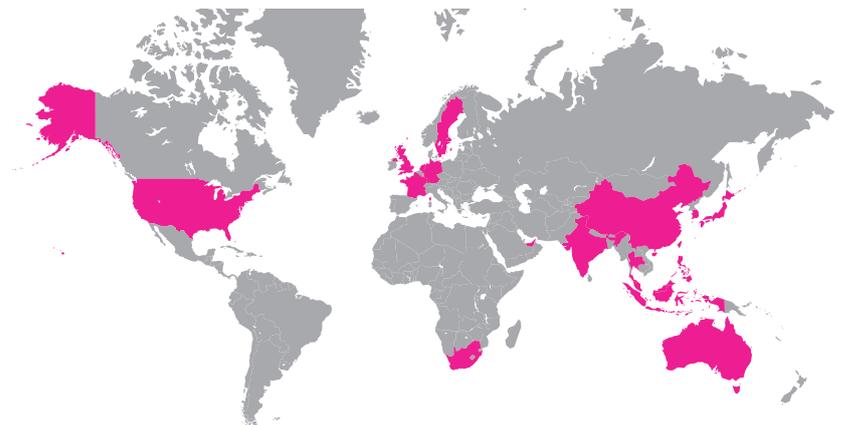
## WHO WE ARE



**36,000**  
TELSTRA EMPLOYEES  
ACROSS 20 COUNTRIES  
WORLDWIDE



**MORE THAN 2,000**  
network points of presence  
across the globe



# TELSTRA NOTICE OF MEETING 2015

## ITEMS OF BUSINESS

### 1. Chairman and CEO Presentations

### 2. Discussion of Financial Statements and Reports

To discuss the company's financial statements and reports for the year ended 30 June 2015.

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

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

- a) 'That Mr Russell Higgins AO, being eligible, be re-elected as a Director';
- b) 'That Ms Margaret Seale, being eligible, be re-elected as a Director';
- c) 'That Mr Steven Vamos, being eligible, be re-elected as a Director'; and
- d) 'That Ms Traci (Trae) Vassallo, being eligible, be elected as a Director'.

### 4. Grant of Performance Rights

To consider and, if thought fit, pass the following resolution as an ordinary resolution: 'That approval be given for all purposes for the grant to the Chief Executive Officer, Andrew Penn, of 758,564 Performance Rights under the Telstra FY16 Long Term Incentive Plan, on the terms summarised in the Explanatory Notes'.

### 5. Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution: 'That the Remuneration Report for the year ended 30 June 2015 be adopted'.

## Additional information

Please refer to the Explanatory Notes on pages 5 to 7 for more information on items 3, 4, and 5.

## Voting

In the interests of representing the views of as many shareholders as possible, the Chairman of the meeting intends to call a poll in relation to items 3, 4 and 5. The ways in which you can vote are outlined below. Please refer to the table on page 4 for the voting deadlines.

## Voting online

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

## Voting Form

Enclosed with this Notice of Meeting is a personalised Voting Form. The Voting Form allows shareholders who are not attending the meeting to either lodge their vote directly, or appoint a proxy or nominee to vote on their behalf.

Voting Forms are colour coded (refer to the table on page 4). If you hold Telstra shares in more than one capacity, please be sure to complete the Voting Form that is relevant to each holding.

The Blue Voting Form can be used to either vote your shares directly (Section A) or appoint a proxy to vote on your behalf (Section B). The Green Nominee Form (sent to participants of various employee plans) can be used to appoint a Nominee to vote on your behalf (Section A).

## Direct voting

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

## Appointing proxies or nominees

Shareholders, Telstra ESOP 99 Participants and Participants in eligible employee share plans (such as the Telstra OwnShare, DirectShare and 2013, 2014 and 2015 Employee Share Plans), who are entitled to attend and vote at the AGM, may appoint a proxy (in the case of a shareholder) or a nominee (in the case of a Participant) to act generally at the meeting on their behalf, and to vote.

To appoint your proxy or nominee you should complete Section B of the Blue Voting Form or Section A of the Green Nominee Form.

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

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

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

## Appointing the Chairman as your proxy or nominee

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

More information on lodging your vote can be found on the back of the relevant Voting or Nominee Form enclosed with this Notice of Meeting. This includes information on voting in relation to items 4 and 5 where voting exclusions apply.

## KMP voting restrictions

Under the Corporations Act, voting restrictions apply to the company's KMP and their closely related parties for items 4 and 5.

The term "closely related party" in relation to a member of KMP includes a spouse, dependent and certain other close family members, as well as any companies controlled by the KMP. In addition, voting exclusions apply in respect of item 4 under the ASX Listing Rules. Please refer to the Explanatory Notes for more details.

## AGM online webcast

Shareholders can view a live webcast of the AGM online at [telstra.com/agm](http://telstra.com/agm) (unmetered for BigPond® customers) from 9.30am (Melbourne time) on Tuesday 13 October 2015. The webcast will be recorded and made available to view after the AGM.

## 2015 Annual Report

The 2015 Annual Report is available for shareholders on our investor website [telstra.com/annualreport](http://telstra.com/annualreport)

If you would like to receive a hard copy of the 2015 Annual Report, at no charge, please contact the Telstra Share Registry on (+61) 1300 88 66 77. Shareholders who have previously elected to receive a hard copy of 2015 Annual Report will receive it separately in the mail.

## Contact details

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

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

### Telstra Share Registry (Australia)

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

Telephone: +61 1300 88 66 77  
Facsimile: +61 2 9287 0309

### Telstra Share Registry (New Zealand)

Link Market Services Limited  
Level 7, Zurich House, 21 Queen Street,  
Auckland 1010, New Zealand

Telephone: (within NZ) 0800 835 787  
All Other: +64 (9) 375 5998  
Facsimile: +64 (9) 375 5990

By order of the Board of Directors



Damien Coleman  
Company Secretary

28 August 2015

## How to vote and voting deadlines

Investor	Right to vote and attend the meeting or view the proceedings	Lodging your vote – which form should I use?	Deadline to lodge your vote*
Shareholders	Shareholders registered as at 9.30am (Melbourne time) on Sunday 11 October 2015.	To vote online, see instructions on page 3. OR Use the Blue Voting Form to either vote directly (Section A) or appoint a proxy (Section B).	9.30am (Melbourne time) on Sunday 11 October 2015.
Telstra ESOP 99 Participants	Telstra ESOP 99 Participants registered at 5.00pm (Melbourne time) on Tuesday 6 October 2015.	To vote online, see instructions on page 3. OR Use the Green Nominee Form to direct the Telstra ESOP Trustee how to vote.	5.00pm (Melbourne time) on Tuesday 6 October 2015.
Participants of other eligible Employee Share Plans	Participants registered at 5.00pm (Melbourne time) on Tuesday 6 October 2015.	Participants may only lodge their votes online. Refer to the email notification from Telstra on 28 August 2015, or go to <a href="http://vote.linkmarketservices.com/tls">vote.linkmarketservices.com/tls</a>	5.00pm (Melbourne time) on Tuesday 6 October 2015.

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

# NOTICE OF MEETING EXPLANATORY NOTES

## ITEM 3

### Election and Re-Election of Directors

Mr Russell Higgins, Ms Margaret Seale and Mr Steven Vamos, Directors, are standing for re-election and will retire in accordance with the provisions of the Constitution and, being eligible, offer themselves for re-election.

Ms Traci (Trae) Vassallo is nominated by your Board as a candidate for the position of Director, in accordance with clause 23.4(f)(2) of Telstra's Constitution.

Mr Higgins, Ms Seale and Mr Vamos are independent non-executive Directors and their relevant skills and experience are summarised below. Ms Vassallo's relevant skills and experience are also summarised below. Should she be elected as a Director, the Board is satisfied that Ms Vassallo will qualify as an independent non-executive Director.

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

#### Russell A Higgins AO

Age 65  
BEc, FAICD

**Non-executive Director since September 2009 and last re-elected in 2012.**

**Member of the Audit & Risk Committee.**

Mr Higgins is an experienced company director who has worked at very senior levels of both government and private sectors. He has served on the boards of a wide range of listed companies, private companies, government business enterprises and international organisations, including as Chairman of the Snowy Mountains Hydro Electric Scheme and the Global Carbon Capture and Storage Institute. From 2003 to 2004, he was Chairman of the then Prime Minister's Energy Task Force and prior to that he was Secretary of the Department of Industry, Science and Resources. In 2006, Mr Higgins was appointed an Officer of the Order of Australia for service to the community in financial management and accountability, microeconomic reform and science and innovation.

#### Directorships of listed companies (past three years):

Director, APA Group (from 2004), Argo Investments Limited (from 2011), Leighton Holdings Limited (2013-2014) and Ricegrowers Limited (SunRice) (2005-2012).

#### Margaret L Seale

Age 54  
BA, FAICD

**Non-executive Director since May 2012 and elected in October 2012.**

**Member of the Audit & Risk Committee.**

Ms Seale has more than 25 years' experience in senior executive roles in Australia and overseas, including in consumer goods, global publishing and the transition of traditional business models to adapt and thrive in a digital environment, and in sales and marketing. She was Managing Director of Random House, Australia (with managerial responsibility for Random House New Zealand) and President, Asia Development for Random House Inc, the global company. She was Chief Executive Officer of The Macquarie Dictionary and Lansdowne Publishing (1997-1999), and also of the Juvenile Diabetes Research Foundation (1994-1997). She served on the boards of the Australian Publishers' Association, the Powerhouse Museum, the Sydney Writers Festival and on the Council of Chief Executive Women, chairing its Scholarship Committee (2011-2012).

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

Director, Ramsay Health Care Limited (from 2015), Bank of Queensland Limited (from 2014). Other: Director, Random House Australia, New Zealand (from 2001).

#### Steven M Vamos

Age 57  
BEng (Hons)

**Non-executive Director since September 2009 and last re-elected in 2012.**

**Member of the Nomination Committee and the Remuneration Committee.**

Mr Vamos has more than 30 years' experience in the information technology, internet and online media industry. He led Microsoft Australia and New Zealand from 2003 to January 2007 before moving to the United States to become the company's online business head of worldwide sales and international operations. Previously, he was Chief Executive Officer of ninemsn. Mr Vamos also worked for Apple Computer in the 1990s after spending 14 years in senior management roles at IBM Australia.

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

Director, Fletcher Building Limited (from 2015), David Jones Limited (2012-2014).

**Other:** Director, Medibank Private Limited (2011-2014), Reading Room Inc (from 2013), BDB Soti Pty Ltd (from 2012), eGeneration Investments Pty Limited (from 1999). Member, Advisory Board of the University of Technology Sydney Business School (from 2011).

#### Traci (Trae) A N Vassallo

Age 43  
BSc, MSc, MBA (Stanford)

Ms Vassallo is an experienced technology executive, investor and advisor based in the USA, with a successful track record in the technology and venture capital sectors.

She is also a strategic advisor to Kleiner Perkins Caufield & Byers (KPCB), where she was a general partner. She serves on the Board of Directors of Enlightened Inc., a private company which provides smart energy efficiency solutions, and on the advisory board of TrialReach, a technology company supporting awareness and participation in medical research.

Over her 10 years at KPCB Ms Vassallo played a leading role in KPCB's investments in a number of leading companies including Nest Labs (acquired by Google), Dropcam (acquired by Google) and Opower (NYSE: OPWR).

Previously Ms Vassallo was a co-founder of Good Technology, a KPCB portfolio company (acquired by Motorola) that provides end-to-end wireless email services to enterprise customers. Ms Vassallo began her career at IDEO, where she developed ground breaking products for companies including Palm and Dell. She holds 13 patents across a broad array of technologies and disciplines.

#### Board Recommendation

The Board (other than the relevant Director in relation to his/her own re-election) recommends the election of Ms Traci Vassallo and the re-election of Mr Russell Higgins, Ms Margaret Seale and Mr Steven Vamos.

The Chairman of the meeting intends to vote all available proxies in favour of the election Ms Traci (Trae) Vassallo and the re-election of Mr Russell Higgins, Ms Margaret Seale and Mr Steven Vamos.

## ITEM 4

### Grant of Performance Rights

Shareholder approval is sought for the proposed grant of Performance Rights to the CEO, Andrew Penn, under the Telstra FY16 LTI Plan (**Plan**) on the terms set out below.

The Board (other than Andrew Penn) has approved the grant of 758,564 Performance Rights to the CEO representing his FY16 LTI entitlement, subject to shareholder approval at this meeting.

#### Plan terms and conditions

Each Performance Right entitles the CEO to one fully paid ordinary Telstra share ("Restricted Shares") at the end of a three year performance period (1 July 2015 to 30 June 2018), subject to the satisfaction of the performance measures described below, and to a further one year service condition and trading restriction until 30 June 2019. Until the performance measures are achieved and the Performance Rights vest as Restricted Shares, the CEO has no legal or beneficial interest in Telstra shares and no entitlement to receive dividends and no voting rights in relation to the Performance Rights.

During the restriction period the CEO is prevented from trading or disposing of the Restricted Shares allocated to him. Restricted Shares allocated to the CEO on vesting of the Performance Rights will be purchased on market and will rank equally with other Telstra shares.

The total number of Performance Rights to be granted to the CEO will be 758,564. This number was determined based on the CEO's maximum LTI opportunity, ie 200% of his fixed remuneration of \$2,325,000, divided by the volume weighted average share price for the five days after the FY15 results announcement (\$6.13). This process is consistent with previous LTI grants for the company's CEO.

As the CEO's grant forms part of his LTI remuneration, the Performance Rights will be granted at no cost to the CEO and no amount is payable on vesting of the Performance Rights. The Performance Rights will be granted under, and subject to, the Plan rules. If shareholder approval is obtained, it is anticipated that the Performance Rights will be granted to the CEO shortly after the meeting and, in any event, no later than 12 months after the date of the meeting.

#### Performance measures

The proposed grant of Performance Rights will be subject to two separate performance measures over a three year performance period:

- half of the Performance Rights will be subject to Telstra's relative Total Shareholder Return (TSR) performance measured against a comparator group of large market capitalisation international telecommunication firms; and
- half of the Performance Rights will be subject to Telstra achieving its Free Cash Flow Return on Investment (FCF ROI) target.

The Performance Rights lapse if the performance measures are not met at the end of the performance period. There is no re-testing of Performance Rights after the testing date.

#### Relative TSR measure

The relative TSR component of the Performance Rights will vest if Telstra's relative TSR performance is equal to or greater than the median of the comparator group of companies at the end of the three year performance period, in accordance with the following vesting schedule:

Relative TSR ranking against the comparator group	% of Performance Rights subject to the relative TSR measure that vest
Below 50th percentile	NIL
At 50th percentile	25%
Above the 50th percentile but below the 75th percentile	Straight line vesting between 25-100%
At or above the 75th percentile	100%

The comparator group of large market capitalisation international telecommunication firms is disclosed in Telstra's 2015 Remuneration Report, which is available at [telstra.com/annualreport](http://telstra.com/annualreport).

It is consistent with previous LTI plans except that Sprint Nextel Corporation has been removed due to a prior acquisition by Softbank Corporation. Telecom Corporation of New Zealand remains in the comparator group but under its new name Spark NZ Ltd.

#### FCF ROI Measure

The FCF ROI component of the Performance Rights will vest if Telstra achieves its target FCF ROI for the performance period. The FCF ROI vesting schedule is as follows:

% FCF ROI target and stretch	% of Performance Rights subject to the relative FCF ROI measure that vest
Below 16.7%	NIL
Between 16.7% and 18.3%	Straight line vesting between 50-100%
18.3% or more	100%

FCF ROI is calculated by dividing the average annual free cashflow over the three year performance period by Telstra's average investment over the same period and, if appropriate, the Board may exercise its discretion in determining the outcome to ensure there are no windfall gains or losses as a result of certain events. Please refer to page 51 of our 2015 Annual Report for an explanation of our variation guidelines and to page 67 for further details of how FCF ROI is defined and calculated for Telstra LTI plans.

#### Trading restrictions

Restricted Shares allocated to the CEO on vesting of his Performance Rights will be subject to an additional one year service condition and trading restriction, ending on 30 June 2019. During the restriction period the CEO's Restricted Shares will be held in trust and he will be entitled to dividends from the date the Restricted Shares are allocated to him. Telstra's Securities Trading Policy will apply after the restriction period ends and fully paid ordinary Telstra shares will be transferred to him, and can only be traded, during the approved trading windows.

#### Treatment on cessation of employment

In the event of cessation of employment for reasons of redundancy, death, total and permanent disablement, certain medical conditions, retirement (where notice is given more than 6 months after allocation) or separation by mutual agreement (where the separation agreement is entered more than 6 months after allocation), a pro-rata number of Performance Rights will lapse based on the proportion of time remaining in the performance and restriction period.

The portion relating to the CEO's completed service may still vest subject to achieving the original performance measures of the Plan at the end of the applicable performance period. If the CEO ceases employment for any other reason prior to the end of the performance or restriction period, any unvested Performance Rights lapse and any Restricted Shares are forfeited.

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

#### Clawback

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

#### Change of control

In certain limited circumstances, such as a takeover event where 50 percent or more of all issued fully paid Telstra shares are acquired, the Board may exercise discretion to vest Performance Rights that have not lapsed.

#### Other information

In relation to the FY16 LTI Plan:

- the CEO is the only director entitled to participate in the Plan;
- this is the first grant to the CEO under the Plan;
- there is no loan scheme in relation to the Performance Rights;
- the CEO is prohibited from hedging the share price exposure in respect of Performance Rights and Restricted Shares;

- the CEO requires Board (or, in certain circumstances, the Chairman's) approval to sell shares after the restriction period ends if he has not met the requirements of Telstra's Executive Share Ownership policy;
- if shareholder approval is obtained, details of the Performance Rights granted to the CEO under the Plan will be provided in the Remuneration Report for the year ending 30 June 2016.

#### Voting Exclusion Statement

The Company will disregard any votes cast on Item 4 by or on behalf of:

- the CEO;
- associates of the CEO; and
- a member of KMP at the date of the meeting (and their closely related parties) acting as a proxy, unless the vote is cast:
  - as proxy, for a person entitled to vote, in accordance with a direction on the Voting Form, or
  - by the Chairman of the meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

#### Board recommendation:

The Board (other than Andrew Penn) considers the grant of Performance Rights to the CEO to be appropriate in all the circumstances and recommends that shareholders vote in favour of item 4.

The Chairman of the meeting intends to vote all available proxies in favour of the grant of Performance Rights to the CEO.

## ITEM 5

### Remuneration Report

The Remuneration Report contains information regarding:

- our remuneration policy and strategy;
- the structure of non-executive Director, CEO and certain senior executive remuneration arrangements, and how we seek to align senior executive remuneration with Company performance; and
- the remuneration of non-executive Directors, the CEO and certain senior executives for the year ended 30 June 2015.

The Remuneration Report can be found on pages 48 to 67 of the 2015 Annual Report.

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

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

#### Voting Exclusion Statement:

The Company will disregard any votes cast on item 5 by, or on behalf of:

- a member of the KMP whose Remuneration is disclosed in the Remuneration Report (and their closely related parties) in any capacity; and
- a member of the KMP at the date of the meeting (and their closely related parties) acting as proxy unless the vote is cast:
  - as proxy for a person entitled to vote in accordance with a direction on the Voting Form, or
  - by the Chairman of the meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

#### Board recommendation:

The Board recommends that shareholders vote in favour of item 5.

The Chairman of the meeting intends to vote all available proxies in favour of the adoption of the Remuneration Report.

# CONDUCTING TELSTRA'S ANNUAL GENERAL MEETING

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

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

## To help achieve these objectives we will:

- webcast the meeting for the benefit of those shareholders unable to attend the meeting in person. Shareholders can view the meeting live at [telstra.com/agm](https://telstra.com/agm). The webcast will be recorded and made available to view after the AGM. The meeting will also broadcast on BigPond Live! Channel 919 on Telstra T-Box®

- enable shareholders to raise questions in writing prior the meeting, by either completing the enclosed form or online at [vote.linkmarketservices.com/tls](https://vote.linkmarketservices.com/tls). Shareholders asking questions online will need to log in using their SRN/HIN (found on your Voting Form) and then select the 'Ask Question' option under the 'Action' column
- provide a reasonable opportunity for shareholders, as a whole at the meeting, to ask questions of the Board
- make hearing loop facilities available for shareholders with hearing difficulties
- answer shareholders' questions honestly and fairly. If we can't answer a question at the meeting, we will seek to provide a response to the shareholder asking the question after the meeting
- inform shareholders as to the proxy and direct voting position with respect to the resolutions to be considered by the meeting and the manner in which the Chairman of the meeting intends to vote available proxies.

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

- are courteous and respectful to all shareholders and others attending the meeting
- keep their questions and comments to a reasonable length of time to allow as many shareholders as possible an opportunity to do so. Generally a maximum of two minutes each time a shareholder addresses the meeting will be appropriate
- confine their questions to the matters before the meeting. If a shareholder's question appears to be more relevant to the shareholder's own circumstances than to shareholders as a whole, we will ask that the shareholder raise the matter with the customer service attendants outside the meeting
- please respect the privacy of individual shareholders attending the meeting and assist in the orderly conduct of the meeting by not taking photographs or audio or video-recordings of the proceedings of the meeting.

## HOW TO GET TO THE AGM

### Venue

**Savoy Ballroom**  
Grand Hyatt Melbourne  
123 Collins Street  
Melbourne Victoria

The Grand Hyatt Melbourne is located in the centre of Melbourne on Collins Street.

### Public transport

The closest train station to the Grand Hyatt is Flinders Street (500m).

Trams travel along Collins Street and the closest stop is 101 Collins Street.

### Parking

An undercover multi level car park, owned and operated by Wilson's car parking, is located underneath the hotel and offers 24 hour parking. Access to the car park is gained via the hotel's Russell Street drive-way and/or the carpark entrance off Flinders Lane.

Please visit [https://www.wilsonparking.com.au/park/3052\\_Grand-Hyatt%2C-123-Collins-Street](https://www.wilsonparking.com.au/park/3052_Grand-Hyatt%2C-123-Collins-Street) for casual parking rates.

### Accessibility

Shareholders requiring lift access to the Savoy Ballroom should use the Russell Street entrance and go to level 8.

# 2015 TELSTRA RETAIL SHAREHOLDER INFORMATION MEETINGS

Outlined below are details of our 2015 retail shareholder meetings. These meetings will provide our retail shareholders with an opportunity to ask questions of management. We expect the meetings to last approximately two hours. We will not be holding a separate briefing in Melbourne in addition to the AGM. Retail Shareholder Information meetings are not open to the media.

## Webcast

For those shareholders unable to attend a meeting, the Brisbane event will be webcast live. There is no need to register for the webcast. To view the webcast live please visit the following link prior to 1pm on Monday 21 September at [telstra.com.au/shareholdermeetings](http://telstra.com.au/shareholdermeetings)

Date	Time	Location	Presenters
Monday 21 September	1.00pm	Hilton Hotel 190 Elizabeth Street <b>Brisbane</b>	<b>Andrew Penn</b> Chief Executive Officer <b>Warwick Bray</b> Chief Financial Officer
Tuesday 22 September	10.00am	Four Points Sheraton 707 Wellington Street <b>Perth</b>	<b>Warwick Bray</b> Chief Financial Officer <b>Guy Champion</b> Area General Manager
Monday 28 September	10.00am	Crowne Plaza 16 Hindmarsh Square <b>Adelaide</b>	<b>Will Irving</b> GMD Telstra Business
Tuesday 29 September	10.30am	Wesley Conference Centre 220 Pitt Street <b>Sydney</b>	<b>Andrew Penn</b> Chief Executive Officer <b>Karsten Wildberger</b> GMD Telstra Consumer

To attend in person please register at your location:

 1800 131 011

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

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



[telstra.com/agm](https://telstra.com/agm)

Your Shareholder Reference Number is:

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

## SHAREHOLDER VOTING FORM

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

A	B
<p><b>VOTE DIRECTLY</b> To cast your own votes directly, please complete Sections A, C and D.</p>	<p><b>APPOINT A PROXY</b> To appoint a proxy and direct them how to vote on your behalf, please complete Sections B, C and D OR to appoint the Chairman of the meeting to act as your proxy and vote on all resolutions, please tick the box in Section B and sign at Section D.</p>
<p><input type="checkbox"/> elect to lodge my/our <b>vote(s) directly (mark box)</b> in relation to the Annual General Meeting of the Company to be held at 9.30am (Melbourne time) on Tuesday 13 October 2015 and at any adjournment or postponement of the meeting.</p> <p>You should mark either <b>"for"</b> or <b>"against"</b> for each item in Section C. <b>Do not</b> mark the <b>"abstain"</b> box.</p>	<p><input type="checkbox"/> appoint the <b>Chairman of the meeting (mark box)</b></p> <p><b>OR</b> if you are <b>NOT</b> appointing the Chairman of the meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below</p> <div style="border: 1px solid black; height: 30px; margin: 5px 0;"></div> <p>or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the meeting, as my/our proxy to act generally and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 9.30am (Melbourne time) on Tuesday 13 October 2015 and at any adjournment or postponement of the meeting.</p> <p><b>Important note: Exercise of proxies by the Chairman for items 4 and 5.</b> Where I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the meeting to exercise my/our proxy in respect of item/s 4 and 5 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the meeting may exercise my/our proxy even though items 4 and 5 are connected directly or indirectly with the remuneration of a member of Key Management Personnel.</p>

The Chairman of the meeting intends to vote all available proxies in favour of each item. Direct votes or proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting, being 9.30am (Melbourne time) on Sunday 11 October 2015 .

C	YOUR VOTING INSTRUCTIONS					
<b>Item 3:</b>	<b>Proxy only</b>			<b>Proxy only</b>		
Election and Re-election of Directors	For	Against	Abstain*	For	Against	Abstain*
(a) Mr Russell Higgins AO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Ms Margaret Seale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Mr Steven Vamos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<b>Item 4:</b>		
				(d) Ms Traci (Trae) Vassallo	<input type="checkbox"/>	<input type="checkbox"/>
				<b>Item 5:</b>		
				Grant of Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>
				Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>

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

D	SIGNATURE OF SHAREHOLDER(S)	
Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<div style="border: 2px solid #00aaff; height: 40px; width: 100%;"></div>	<div style="border: 2px solid #00aaff; height: 40px; width: 100%;"></div>	<div style="border: 2px solid #00aaff; height: 40px; width: 100%;"></div>

Sole Director and Sole Company Secretary

Director/Company Secretary (delete one)

Director

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



## FURTHER INFORMATION ON VOTING

### Voting under Section A – Direct Voting:

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

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

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

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

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

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

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

### Votes on items of business:

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

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

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

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

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

### Voting exclusions items 4 and 5:

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

- The CEO and his associates will be excluded from voting on item 4;
- Key Management Personnel (as disclosed in the Remuneration Report) and their closely related parties are excluded from voting on item 5; and
- Key Management Personnel (as at the date of this meeting), and their closely related parties will be excluded from voting as proxies on items 4 and 5,

unless they are voting as a proxy for a person entitled to vote and they vote in accordance with a direction on the Voting Form or, in the case of the Chairman of the meeting acting as proxy, the Chairman of the meeting has received express authority to vote undirected proxies as the Chairman of the meeting sees fit.

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

### Voting by corporate representative:

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

### Lodgement of Votes:

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

### Deadline for Receipt:

To be effective, the completed documents must be received by the Company no later than **9.30am (Melbourne time) on Sunday 11 October 2015**:

#### by hand:

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

#### by mail:

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

#### online:

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

#### by fax:

+61 (2) 9287 0309

### Further information:

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

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

### Respecting your privacy:

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

