



# Governance at Telstra

2019 Corporate  
Governance Statement



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

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

We are pleased to present our 2019 Corporate Governance Statement, which provides you with information about governance at Telstra.

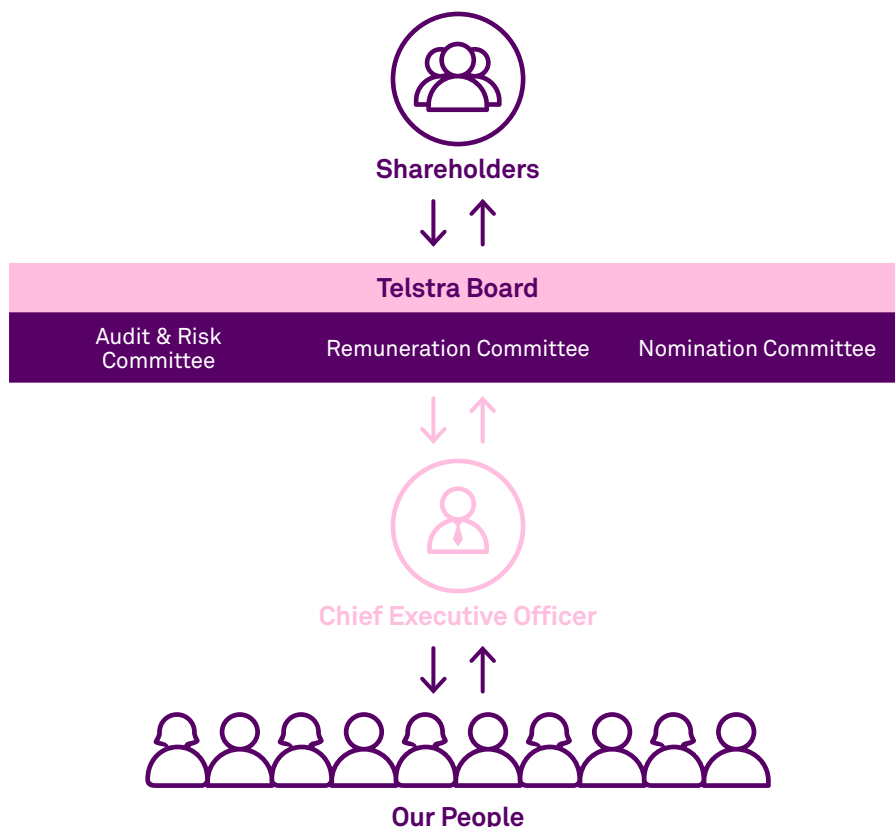
We comply with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations), which is reflected in this statement. Further information about governance at Telstra can be found in the corporate governance section of our website at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

We regularly review our governance practices in light of both current and emerging corporate governance developments of relevance to our company, to reflect market practice, expectations and regulation as appropriate.

This includes consideration of the fourth edition of the ASX Recommendations released earlier this year. Many of our existing practices outlined in this statement already comply with the fourth edition of the ASX Recommendations, which we will be adopting before or during the financial year ending 30 June 2021.

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

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



## Our governance framework includes:

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

## Areas of governance focus during FY19 – a snapshot

Some of our areas of governance focus and key activities undertaken by the Board, its Committees and management during FY19 included:

<b>Strategy and performance</b>	A significant focus of the Board during the year has been monitoring the implementation of our T22 strategy – a major transformation that is enabling us to respond to a rapidly changing environment and continue to lead the Australian telco market. T22 is about simplifying our operations and products, improving the experience of our people and customers, reducing our costs and structuring the business to maximise the value of our assets. Further information about T22 and our progress against our T22 strategy can be found in our 2019 Annual Report.
<b>Board renewal</b>	<p>T22 is not just transforming Telstra at an organisational level. It is also driving significant renewal amongst the Board of Directors as we continue to reshape the Board, putting in place the right balance between experience – including global telecommunications and technology experience – and fresh thinking.</p> <p>In addition to Roy Chestnutt's appointment in May 2019, Niek Jan van Damme and Eelco Blok have joined the Board. Both are also very experienced telco industry executives, adding to the wealth of skills and experience on the Board. Through their knowledge of the challenges currently faced by telecommunications companies around the world, they add great value to the Board as Telstra continues to execute on its T22 strategy.</p>
<b>Risk management</b>	<p>Through the work of the Audit &amp; Risk Committee in particular:</p> <ul style="list-style-type: none"> <li>• continuing to oversee the embedding of risk identification, assessment and management in every aspect of our business;</li> <li>• continuing to monitor whether the level of compliance and governance within the company is appropriate, with a particular focus on risk culture, reporting and risk acceptance; and</li> <li>• evolving our responsible businesses work to progress our oversight for how we achieve the right outcomes for customers.</li> </ul>
<b>Remuneration</b>	<p>We received a 'first strike' against our FY18 Remuneration Report at last year's Annual General Meeting (AGM). As a result, the Board completed a comprehensive review of our executive remuneration framework, including our Executive Variable Remuneration Plan. As part of the process, we engaged with shareholders, proxy advisers and other stakeholders to understand their concerns around our remuneration policy and practice.</p> <p>The Board has listened and taken all comments on board in an effort to try and get the balance right between supporting shareholders' interests, and appropriate performance based remuneration, while at the same time motivating, incentivising and retaining our executive talent to implement our ambitious T22 strategy. Further information about the review, and remuneration at Telstra more generally, can be found in our 2019 Remuneration Report included in our 2019 Annual Report.</p>
<b>Culture, values and conduct</b>	Our people are an essential part of successfully delivering T22. We have been focused on ensuring we have the right culture to deliver on our objectives in line with our values, and the right capabilities to meet the constantly-evolving needs of our customers today and into the future. We believe in creating and promoting a strong, values-based culture and recognise that long-term success depends largely on how we do business.





# 1 | Engaging with our shareholders



Telstra Annual General Meeting 2018

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

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

We encouraged shareholders to provide us with their questions ahead of our 2018 AGM, consistent with our approach in previous years, and we received more than 1,300 questions and comments. This helped us further understand shareholder issues and concerns and enabled us to address areas of shareholder feedback at the AGM.

As we have done in recent years, before our 2018 AGM we also held four retail shareholder information briefings with the CEO, CFO or other senior executives. Briefings were held in Melbourne, Brisbane, Adelaide and Perth (with the Melbourne event also webcast live).

These briefings provided an additional opportunity for our retail shareholders to hear from and question management about our company in person, recognising the large and geographically diverse nature of our shareholder base. Approximately 700 retail shareholders attended these briefings.

In order to reach as many of our shareholders as possible, this year we are holding a virtual retail shareholder meeting on 3 September 2019. Shareholders will be able to view the live webcast of the meeting with Andrew Penn, our CEO, and Vicki Brady, our CFO, and will be able to ask questions before and during the event.

Further information is available on our website <https://www.telstra.com.au/aboutus/investors/key-dates/shareholdermeetings>.

Some of our other initiatives to promote effective communication with our shareholders and investors during FY19 included:

- Engagement with investors and other stakeholders on remuneration at Telstra - as part of the Board's review of Telstra's executive remuneration framework following the 'first strike' against our FY18

Remuneration Report at last year's AGM, we engaged with shareholders, proxy advisers and other stakeholders to seek feedback and consider opportunities to further enhance the effectiveness of our reward structure. During FY19, a total of 44 shareholder and stakeholder meetings were held, including nine meetings with shareholder advisory companies.

- Electronic communications - we continued to encourage shareholders to provide us with their email addresses so we could communicate with them electronically about events and matters relevant to our company, such as our results announcements, dividend payments and AGM. Shareholders can also contact us (and our share registry) electronically.
- Investor briefings - in December 2018 we provided a detailed update on 5G, including our achievements to date and our plans for the future. We communicated with our shareholders via email and the ASX, informing them where they could view the presentations and a recording of the events.
- Webcasting important company events - we webcast important events such as our Half Year and Full Year financial results briefings, our AGM and other investor events discussing the performance and strategy of our business. For some of our major events and briefings, in addition to lodging the presentation materials with the ASX, we also make transcripts of those events available on the ASX and our website.

## 2 | The Board of Directors



John P Mullen



Andrew R Penn



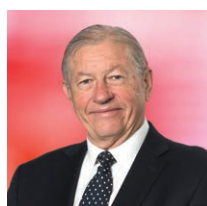
Eelco Blok



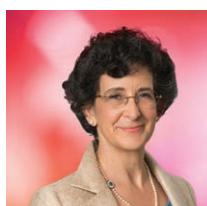
Roy H Chestnutt



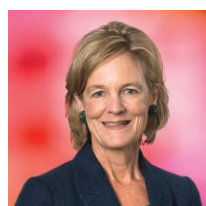
Craig W Dunn



Peter R Hearl



Nora L Scheinkestel



Margaret L Seale



Niek Jan van Damme

### 2.1. The responsibilities of the Board

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

#### Strategy and corporate plan

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

#### Financial reporting and capital management

- overseeing our financial position and approving our full year and half year financial reports
- overseeing our external audit activities
- approving decisions about our capital management, including share buy-backs and dividends
- approving significant expenditure and acquisition and divestment transactions in excess of financial limits delegated to the CEO by the Board

#### Risk management and controls

- reviewing the risks faced by the company that have the potential to have a material impact on Telstra's business and overseeing the risk management framework implemented by management to identify and manage those risks
- monitoring our internal audit activities and internal control and reporting systems

#### CEO and senior management

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

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

#### Culture, conduct, governance and compliance

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

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

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

The Board has delegated to the CEO responsibility for day-to-day management of Telstra. A formal delegations structure is in place which sets out the powers

delegated to the CEO and those specifically retained by the Board. The Board reviews these delegations annually. The matters that have not been delegated to management include matters that relate to:

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

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

## 2.2 Our Chairman

Our Chairman must be an independent Director appointed by the Board and the role of Chairman and CEO cannot be fulfilled by the same person.

Our Chairman, John Mullen, is an independent non-executive Director. He has been a Director of Telstra since July 2008 and was appointed Chairman in April 2016.

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

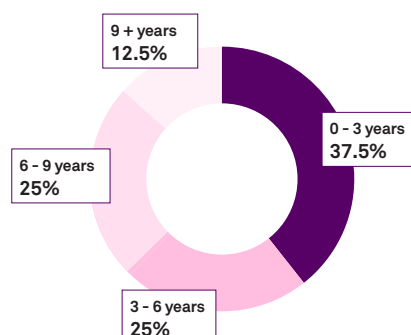
## 2.3. Board composition, tenure, renewal and Director appointment

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

As at the date of this statement, the Board comprises nine Directors (eight non-executive Directors and the CEO): Chairman John Mullen, CEO and Managing Director Andrew Penn and non-executive Directors Eelco Blok, Roy H Chestnutt, Craig Dunn, Peter Hearl, Nora Scheinkestel, Margaret Seale and Niek Jan van Damme.

Details of the Directors, including their qualifications and experience, together with details of their length of service, can be found in the Board of Directors section of our 2019 Annual Report.

### Non-executive Director tenure



During FY19 there were a number of changes to the Board:

- experienced European telecommunications executives Niek Jan van Damme and Eelco Blok joined the Board in October 2018 and February 2019 respectively. Mr van Damme was elected by shareholders at our 2018 AGM. Mr Blok will stand for election at our 2019 AGM in October.
- Steve Vamos, Russell Higgins and Trae Vassallo retired from the Board at the end of our 2018 AGM in October 2018, and
- Jane Hemstritch resigned from the Board effective 15 January 2019.

### Board composition

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

To assist in identifying areas of focus and maintaining an appropriate and diverse mix in its membership, the Board utilises a skills matrix which sets out the skills the Board currently has and is looking to achieve in its membership.

During the year, the Board reviewed its skills matrix, both in terms of the areas covered in the matrix as well as how it was most effectively utilised by the Board as a tool in its composition, Director appointment and succession planning considerations.

As a result of the review, the skills matrix has been simplified to focus on three broad categories of skills and experience, as well as personal skills, which the Board considers particularly relevant in ensuring the Board has the appropriate mix to discharge its obligations effectively and to add value in the current environment and Telstra in a T22 world.

The Board skills matrix is now as follows:

Category	Includes skills and experience in areas such as:
<b>Telecommunications and technology</b>	<b>Telecommunications</b> – extensive experience in the telecommunications industry (including global experience). <b>Technology, innovation and digital</b> - experience in organisations with a focus on technology and innovation, experience in areas such as digital commerce, commercialisation of digital products and services, and ways of working. <b>Products and services</b> – experience in organisations providing products and services to large retail customer bases.
<b>Large ASX or other listed company experience at a CEO or senior management level</b>	<b>Senior executive and Board experience</b> - experience in CEO or senior executive position and other non-executive director experience. <b>Financial</b> – high level of financial acumen, qualifications or experience in accounting, financial reporting and financial controls. <b>Capital markets and investor relations</b> – knowledge of corporate financing, treasury, equity and debt markets and retail and institutional investors. <b>People</b> – experience in remuneration, workplace culture, people management and succession planning.
<b>Governance, stakeholders, reputation and conduct</b>	<b>Reputation and standing</b> – experience with managing reputation, standing in the community and relationships with key stakeholders (including industry, government and regulators). <b>Governance</b> – sound knowledge of governance and sustainability issues, including the legal, compliance and regulatory environment applicable to large ASX listed entities and highly regulated companies. <b>Risk management</b> – understanding of risk management frameworks and controls, and the identification, assessment and management of risk across large organisations. <b>Rural, regional and remote</b> – understanding of the communication needs of regional, rural or remote areas of Australia.

### Personal attributes

Integrity and high ethical standards	Curiosity, creativity and courage	Critical thinking	Good business acumen and sound judgment	Strong interpersonal skills (good listener, tactful but able to communicate views candidly)
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The matrix is utilised by the Board to review whether there is strong developed capability represented on the Board for each of the three categories. Directors will often possess a range of skills and experience to various degrees across a number of general and specific areas. The matrix intentionally does not seek to capture this on a grading scale, or to reflect every skill which may be relevant to being a Director on the Telstra Board. The skills matrix is an important tool, but does not set out the only criteria applying to the Board's composition, Director appointment and succession planning considerations.

Each of the three categories set out in the matrix is currently well represented on the Board, with multiple Directors identified as possessing strong developed capability for each category. In addition, the Board benefits from the combination of Directors' individual skills and experience in particular areas, as well as the varying perspectives and insights that arise from the interaction of Directors with diverse backgrounds. The Board also continues to seek ways to augment the skills and experience represented on the Board to best equip the Board to fulfil its role effectively.

The personal skills reflected in the matrix are also important factors in the Board's ability to work constructively and effectively together and with senior management. The Board considers these aspects as part of its Board composition, and Director appointment and performance deliberations throughout the year.

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

For FY19, the Board's diversity objective was that there will be at least four women on the Board, representing a female gender representation among non-executive Directors of at least 40 per cent, recognising that the level of gender diversity of the Board may be temporarily affected during periods of Board renewal. The Board has maintained this objective for FY20.

As at 30 June 2019, there were two female Directors on the Board, representing a female gender representation among non-executive Directors of 25 per cent.

As mentioned earlier, the Board has been undergoing a significant process of renewal which has impacted the level

of female representation on the Board, following the departure of two of our female Directors during the year.

The Board is firmly committed to gender diversity, as demonstrated by the Board maintaining its diversity objective for FY20. The current Board renewal process continues our focus on diversity – both gender and beyond, to provide fresh thinking and different perspectives on the Board (whether through age, experience or otherwise). In appointing new Directors, the Board is very conscious of putting in place the right balance of skills, knowledge, experience and diversity on the Board to enable it to discharge its responsibilities effectively and add value.

#### **Board tenure and renewal**

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

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

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

During FY19, the Nomination Committee considered the tenure of Nora Scheinkestel as she was approaching the end of her third three-year term. The Committee determined that Dr Scheinkestel continued to make a significant and valuable contribution to the Board. The Committee also noted the importance of continuity on the Board, in light of the changes on the Board in recent times.

The Board also assessed the independence of Dr Scheinkestel as part of its annual Director independence review. As noted in section 2.4, the Board has determined that her length of service on the Board has not compromised her independence and she continues to be independent.

#### **Director appointment, election and re-election**

Our process for the selection, nomination and appointment of Directors involves a formal selection process undertaken by the Board, and an executive search firm is often engaged to assist in the process. As part of this process, the Board establishes criteria about the general qualifications and experience, as well as the specific qualifications, skills and expertise, that a candidate should possess. We undertake appropriate checks on any potential candidates before a person is appointed by the Board or put forward to shareholders as a candidate for election as a Director.

In respect of Mr van Damme's and Mr Blok's appointments, an external search firm was engaged to assist in the process and we undertook appropriate checks before appointment to the Board.

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

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

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

Following his appointment in February 2019, Eelco Blok will be standing for election at our 2019 AGM in October. Craig Dunn and Nora Scheinkestel are also due to stand for re-election this year.

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

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

## 2.4 Director independence

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

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

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

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

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

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

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

## 2.5 Review of Board and Director performance

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

In the first half of FY19 the Board undertook a review of Board, Committee and Director (including Chairman) performance, with the assistance of an external facilitator. The process incorporated a number of components including a Board paper review, attendance by the external consultant at a Board meeting as an observer, surveys of the Board and selected senior management, structured interviews with Directors and selected senior management, and Board and individual Director performance feedback.

The review included consideration of a number of matters, including areas of focus for the Board in the context of Board renewal and ensuring effective oversight of the T22 transformation. The overall assessment was that the Board continued to perform well in discharging its responsibilities.

In addition, the Board has undertaken an assessment of its performance against the requirements of its charter in respect of FY19, and self-assessment reviews were similarly undertaken by each standing Board Committee and provided to the Board.

The Board has also considered the performance of the Directors standing for election or re-election at the 2019 AGM when determining the Board's recommendation to shareholders regarding the election or re-election of those Directors.

The Board is in the process of undertaking a further internal review in respect of FY19 which has included a survey and structured discussion amongst the Directors on Board performance.

The Board reviews the CEO's performance annually against agreed measures and other relevant factors. The CEO undertakes a similar exercise in relation to senior executives. The outcomes of the CEO's annual review of senior executive performance and remuneration are subject to Board review and approval. Reviews of the performance of the CEO and senior executives were undertaken at the end of FY19.

Information about our remuneration framework and policies, and details of the remuneration outcomes for FY19 for the CEO and senior executives, can be found in our 2019 Remuneration Report (which forms part of the Directors' Report in our 2019 Annual Report).

## 2.6 Board operating rhythm

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

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

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

Some of the activities and areas of focus of the Board during FY19 included:

- Board renewal and continuing to reshape the Board, putting in place the right balance between experience – including global telecommunications and technology experience – and fresh thinking
- supporting management in delivering Telstra's major transformation through its T22 strategy and overseeing the T22 transformation process
- continuing to enhance Director understanding of the industry (including current competitive dynamics) and the organisation's capacity and culture



- continuing to oversee the embedding of risk identification, assessment and management in every aspect of our business and evolving our responsible businesses work to progress our oversight for how we achieve the right outcomes for customers, and
- a comprehensive review of our executive remuneration framework, including our Executive Variable Remuneration Plan, following the 'first strike' we received on our FY18 Remuneration Report at our 2018 AGM.

## 2.7 Director induction, training and continuing education

All new Directors participate in an induction process coordinated by the Company Secretary, which assists in providing a smooth transition for new Board members. The induction process for our non-executive Directors includes briefings on our strategy, financial, operational and risk management matters, our governance framework (including relevant policies), our culture and values and developments in our company and the sectors and environments in which we operate.

We also have in place a continuing education program for Directors that is part of the annual Board cycle. Specific sessions are scheduled around Board meeting dates and we provide other appropriate professional development opportunities for

Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

During the year, our program incorporated a US Board trip which included sessions with suppliers, telecommunications and technology companies and industry experts to enhance the knowledge of the Board with respect to matters relevant to our sector and our T22 strategy and transformation. It also incorporated meetings with industry experts and stakeholders, and attendance by some Directors at relevant industry conferences. A number of technology education sessions were also held for Directors on topics such as cloud and network function virtualisation.

## 2.8 Board access to management and independent professional advice

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

The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the ability to retain, at Telstra's expense, such legal, accounting or other advisers, consultants or experts as it considers necessary from time to time in the performance of its

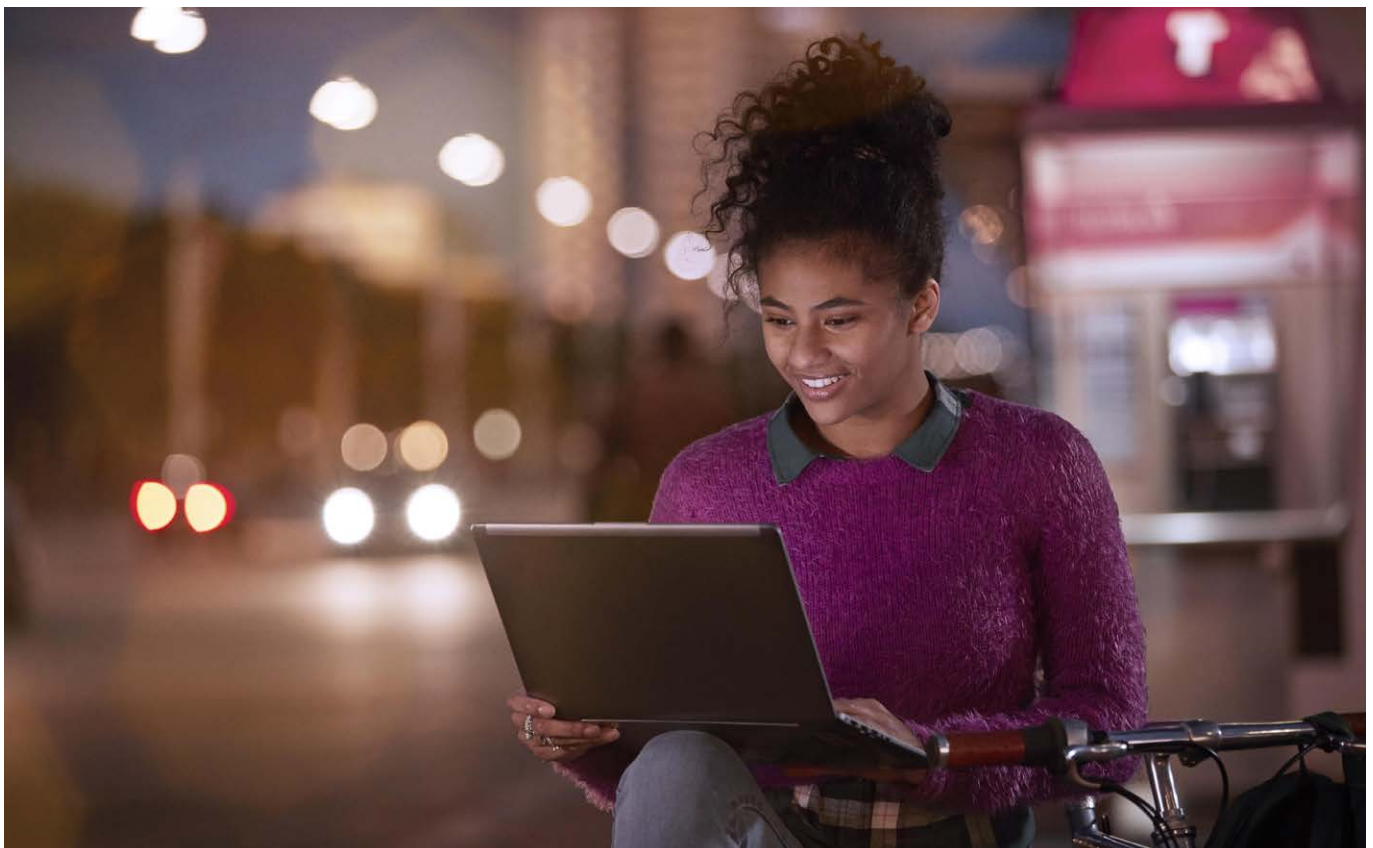
duties. All Board Committees also have access to independent professional advice on this basis. In certain circumstances, each Director has the right to seek independent professional advice at Telstra's expense within specified limits.

## 2.9 Conflicts of interests

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

## 2.10 Company Secretary

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



# 3 | Board Committees

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

As at the date of this statement (and for all of FY19), the following three standing Committees assist the Board in carrying out its responsibilities:

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

An overview of the role and responsibilities, focus areas during FY19, composition and membership as at 30 June 2019 of each Committee is provided in this section. Each Committee reports to the Board and makes recommendations to the Board for its consideration, as appropriate.



	Audit & Risk Committee	Remuneration Committee	Nomination Committee
<b>Roles and Responsibilities</b>	<p><b>The Audit &amp; Risk Committee (A&amp;RC):</b></p> <ul style="list-style-type: none"> <li>assists the Board with matters relating to financial reporting, risk management, compliance (including health, safety and environmental performance), external audit, internal control, internal audit, corporate governance and matters that may significantly impact the financial condition or affairs of the business</li> <li>oversees Telstra's compliance with its Structural Separation Undertaking and the activities of the Director of Equivalence</li> <li>provides a forum for communication between the Board, management and both the internal and external auditors</li> <li>provides a conduit to the Board for external advice on audit, risk management and compliance matters.</li> </ul>	<p><b>The Remuneration Committee assists the Board with matters relating to:</b></p> <ul style="list-style-type: none"> <li>remuneration of the Board, CEO and Company Secretary</li> <li>performance and remuneration of senior management</li> <li>remuneration strategies, practices and disclosures generally (including non-routine remuneration arrangements)</li> <li>diversity (excluding Board diversity)</li> <li>employee equity plans</li> <li>management succession, capability and talent development.</li> </ul>	<p><b>The Nomination Committee assists the Board with matters relating to:</b></p> <ul style="list-style-type: none"> <li>composition and performance of the Board, including Board diversity</li> <li>Director independence</li> <li>appointment of the CEO and succession planning for this role</li> <li>CEO and Company Secretary performance</li> <li>outside directorship requests from executives in relation to publicly listed companies or managers of listed managed investment schemes.</li> </ul>
<b>Activities/areas of focus during FY19</b>	<ul style="list-style-type: none"> <li>Continuing to oversee the embedding of risk identification, assessment and management in every aspect of our business</li> <li>Continuing to monitor whether the level of compliance and governance within the company was appropriate, with a particular focus on risk culture, reporting and risk acceptance</li> <li>Network, operations and business resilience</li> <li>Closely monitoring regulatory programs of work</li> <li>Evolving our responsible businesses work to progress our oversight for how we achieve the right outcomes for customers</li> <li>Overseeing the process for the management of matters raised by whistleblowers and reviewing significant matters raised through the process.</li> </ul>	<ul style="list-style-type: none"> <li>Detailed consideration of Telstra's executive remuneration framework, including the Executive Variable Remuneration Plan</li> <li>Management succession, capability and talent development</li> <li>Our employee diversity and inclusion objectives and initiatives, including our gender pay equity position and the policies and practices influencing gender pay equity at Telstra.</li> </ul>	<ul style="list-style-type: none"> <li>Board renewal (including consideration of a diverse range of potential Board candidates) and the nomination/appointment of two new Directors during the year.</li> </ul>
<b>Composition</b>	<p><b>Composition requirements include:</b></p> <ul style="list-style-type: none"> <li>there must be at least three independent non-executive Directors on the Committee</li> <li>the members must, between them, have sufficient accounting and financial knowledge to allow them to discharge their duties and actively challenge information presented by management, internal and external auditors</li> <li>the Chairman must be an independent Director who is not Chairman of the Board.</li> </ul> <p>Our A&amp;RC structure complies with the ASX Listing Rules and the ASX Recommendations.</p>	<p><b>Composition requirements include:</b></p> <ul style="list-style-type: none"> <li>there must be at least three independent non-executive Directors on the Committee</li> <li>each member is expected to be familiar with the legal and regulatory disclosure requirements in relation to remuneration and have adequate knowledge of executive remuneration issues, including executive retention and termination policies, and short term and long term incentive arrangements.</li> </ul> <p>Our Remuneration Committee structure complies with the ASX Listing Rules and the ASX Recommendations.</p>	<p>Composition requirements include there must be at least three independent non-executive Directors on the Committee, including the Chairman of the Board.</p> <p>Our Nomination Committee structure complies with the ASX Recommendations.</p>
<b>Membership as at 30 June 2019</b>	Craig Dunn – Chairman Roy Chestnutt Margie Seale Nora Scheinkestel	Peter Hearl – Chairman Niek Jan van Damme Nora Scheinkestel	John Mullen – Chairman All other non-executive Directors*
<b>Consultation</b>	<ul style="list-style-type: none"> <li>Other members of the Board may attend A&amp;RC meetings and the A&amp;RC may invite management, the external auditor and others to attend meetings as it considers necessary or appropriate.</li> <li>The A&amp;RC meets with the internal auditor and the external auditor in the absence of management.</li> </ul>	<ul style="list-style-type: none"> <li>Other members of the Board may attend Remuneration Committee meetings. The Remuneration Committee may also invite other people, including any Telstra employees, to attend all or part of its meetings provided that the person is not present for consideration of any item in which they have a material personal interest. This ensures that no senior executive is directly involved in deciding their own remuneration.</li> <li>The Remuneration Committee obtains external advice from independent remuneration consultants in determining Telstra's remuneration practices where considered appropriate.</li> </ul>	<p>The Nomination Committee can also invite other people, including any Telstra employees, to attend all or part of its meetings provided that the person is not present for consideration of any item in which they have a material personal interest.</p>

\* Our practice had been to schedule Nomination Committee meetings to coincide with Board meetings, to enable all non-executive Directors to attend. From October 2018, all non-executive Directors became formal members of the Nomination Committee.



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

Only independent, non-executive Directors can serve on our three standing Board Committees. The Board appoints the members and the Chairman of each Committee. In addition to the membership requirements applying to each Committee

as set out in its Charter, each Committee member must have the capacity to devote the required time and attention to prepare for, and attend, Committee meetings. Following Audit & Risk Committee and Remuneration Committee meetings, the Board receives a report from each Committee on its deliberations, conclusions and recommendations.

Details of the number of meetings held by the Board and its standing Committees during FY19, and attendance by Directors,

can be found in our 2019 Directors' Report included in our 2019 Annual Report. Information on the relevant qualifications and experience of Committee members can be found in the Board of Directors section of our 2019 Annual Report.

From time to time the Board also establishes ad hoc committees to support the Board in carrying out its responsibilities.



# 4 | Assurance and risk management



## 4.1 External auditor

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

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

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

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

During FY19, the Audit & Risk Committee was provided with regular formal, written reports detailing the nature and amount of any non-audit services rendered by EY and an explanation of how the provision of those non-audit services was compatible with auditor independence. Details of amounts paid or payable to EY for non-audit services provided during the year are disclosed in Note 7.2 to our Financial Statements in our 2019 Financial Report (included in our 2019 Annual Report).

## 4.2 Internal audit

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

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

## 4.3 Managing our risks

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

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



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

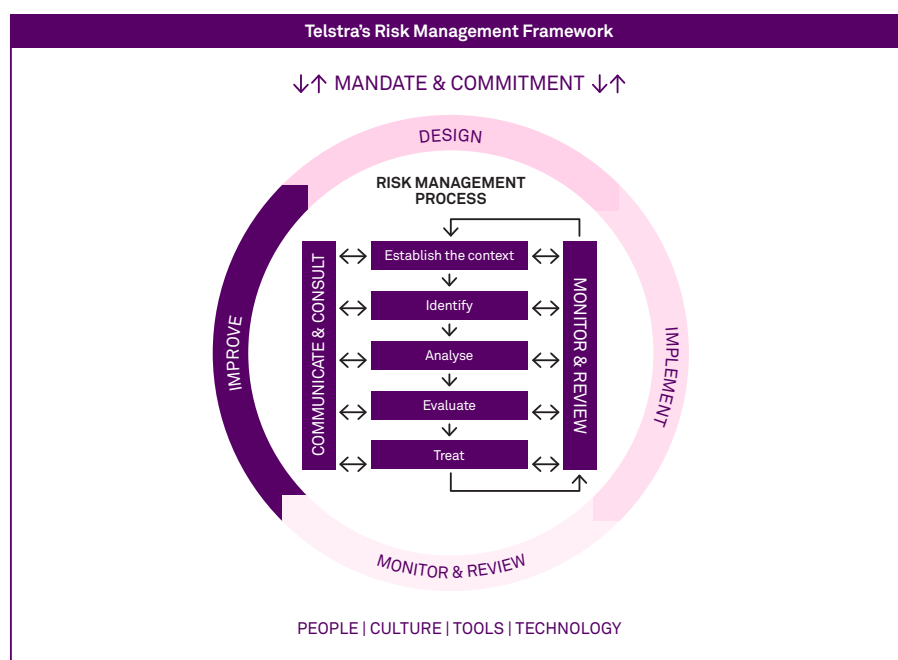
- First Line – business stakeholders and operational management who are responsible for identifying, assessing and managing their risks and are supported by business unit risk management teams
- Second Line – Enterprise Risk and other second line oversight functions (e.g. Health, Safety, Wellbeing and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

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

A summary of the material risks that could affect Telstra (including any material exposure to economic, environmental and social sustainability risks), and how we seek to manage them is provided in the Our material risks section of our 2019 Annual Report. We maintain ongoing processes for identifying new and emerging risks to our business, this includes undertaking risk assessments on products and services from design through to market launch; industry and market trend analysis; risk workshops with our partners; and regular risk forums with senior management. Identified risks, along with their controls and treatment plans, are monitored for changes in their exposure, or effectiveness, and are reported to the Board (including its Committees) during the course of the year.

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

We also have in place a senior management risk forum which is the peak management governance forum for risk management across Telstra. It is a forum



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

We consider economic, environmental and social sustainability factors as part of our consideration of our risks. Each year we undertake an assessment to help us determine the risks and opportunities relating to those factors and how they may impact our business and stakeholders. Important topics identified this year include customer experience; ethics, values and governance; privacy and data security; network resilience; health, safety and wellbeing; digital inclusion; and climate change. Maintaining clear oversight of our climate change related risks and opportunities is one of our sustainability governance priorities. More information about our sustainability risks, our approach to managing them, and our performance is available in our 2019 Bigger Picture Sustainability Report at [telstra.com/sustainability/report](https://telstra.com/sustainability/report).

We also undertake activities to monitor and review our risk management framework to ensure that it is operating as intended. We conduct reviews and self-assessments of our framework at least annually across the enterprise and report the results to our senior management risk forum and the Audit & Risk Committee. We use the results of those reviews, as

well as recommendations from Group Internal Audit, our third line of defence, to identify and implement opportunities that improve our framework.

In FY19 we implemented a number of initiatives in relation to risk management, which have continued to drive an uplift in our risk management maturity. This has included improvements to how we assess our risk culture, including piloting internal audit 'soft controls' assessments. We have also further strengthened the manner in which we monitor and track our assessment of key risks relative to our risk appetite statements, implemented a formal 2nd line point of view on Board papers, improved risk acceptance processes, embedded a risk management framework into the streams of our T22 activities, and set up new cross functional forums that support the monitoring of risks and risk management actions.

In respect of FY19, the Audit & Risk Committee has reviewed Telstra's risk management framework and is satisfied that it continues to be sound.

#### 4.4 CEO and CFO declarations

In connection with our financial statements for the financial year ended 30 June 2019, and the half-year ended 31 December 2018, our CEO and CFO have provided the Board with declarations that:

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



# 5 | Acting ethically and responsibly

At Telstra, we are committed to acting responsibly and being transparent and accountable, wherever we operate. As the world in which we operate evolves, our stakeholders expect more of us as a large, iconic Australian business. Amidst this constant change, our purpose and values anchor us and guide our actions.

## 5.1 Our Purpose, Values and Culture

### Our purpose and values

Our purpose is to build a connected future so everyone can thrive.

A purpose on its own is not enough. We also need values to express what we stand for and guide the way we do things. Our values are core to our business and we align everything we do with them.

At Telstra, we have five core values.



**Trust each  
other to deliver**



**Better  
together**



**Find your  
courage**



**Make the  
complex simple**



**Show  
you care**

These are the values we stand for—the values by which we measure all of our actions. And our values demand action.

Being a values-led organisation means we must have the:

- willingness to take responsibility
- determination to never think, 'I have no choice'
- humility
- desire to learn
- courage to challenge ourselves and others when values are not met.

We know that we will not achieve our strategy unless we get our values right. Putting these values into action will help us to build a connected future so everyone can thrive.



## Our culture

The world in which we operate is transforming rapidly. To continue to lead the market we have greatly simplified our structure and ways of working as part of a suite of changes under T22. This has meant substantial change right across the organisation as we take steps to position Telstra for future growth.

Our people are an essential part of successfully delivering T22. We are focused on ensuring we have the right culture to deliver on our objectives in line with our values, and the right capabilities to meet the constantly-evolving needs of our customers today and into the future.

We believe in creating and promoting a strong, values-based culture and maintaining transparency in our activities. Above all, we recognise that long-term success depends largely on how we do business. Across our operations, we promote a fair and responsible culture including through our Code of Conduct, governance policies and mandatory compliance training, and reward employees who demonstrate our values.

Further information about our culture, values and responsible business approach can be found in our 2019 Bigger Picture Sustainability Report available on our website at [telstra.com/sustainability/report](https://telstra.com/sustainability/report).

## 5.2 Our Code of Conduct and key governance policies

Our Code of Conduct ('Code'), which links to our values, explains what we stand for as an organisation and how we will conduct ourselves as we work together to deliver our strategy.

Our Code covers a range of important elements about how we do business, including key elements on behaving ethically and lawfully. It also outlines where to go for further help, and how to raise concerns through various channels, including our whistleblowing service. Our Board, CEO and Leadership Team are deeply committed to our Code.

### Our principles

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

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

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

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

## Our people

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

In addition to highlighting the importance of caring about the health and safety of our people, it sets out our commitment to initiatives that reduce HSWE risk in our operations and build a high performing HSWE culture, where sharing insights and learnings are part of the way we work.

We encourage employees, contractors and suppliers to openly report HSWE issues, incidents and hazards, and use data and analytics to support managers in making sound decisions on corrective actions and controls. Established HSWE governance forums help manage progress, monitoring our performance through regular reporting to the Board, Audit and Risk Committee, executive leadership team and senior managers.

We also have a company-wide program called Thrive, to help our people build resilience and maintain wellbeing.

More information about HSWE at Telstra can be found in our 2019 Bigger Picture Sustainability Report available on our website at [telstra.com/sustainability/report](https://telstra.com/sustainability/report).

**Diversity and inclusion** – reflecting the way we value diversity and inclusion and the benefits they bring to the Telstra Group in achieving our objectives, enhancing our reputation, and attracting engaging and retaining talented people. Further information about diversity and inclusion at Telstra is provided in section 6 below.

**Discrimination, bullying and harassment** – aiming to make sure our workplace is free from unlawful discrimination, bullying and harassment.

## Our customers

**Privacy** – setting out our commitment to protect our customers' personal information. This outlines how and why we collect personal information, how we may use and disclose it, how we keep it secure and accurate, and how customers may access their personal information. Further information on privacy at Telstra can be found in our 2019 Bigger Picture Sustainability Report and on our website at [telstra.com/privacy](https://telstra.com/privacy) (which includes our Privacy Statement).

## Good corporate governance and responsible business practice

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

**Conflicts of interest** – setting out how we identify and manage conflicts of interest.

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

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

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

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

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

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

**External communications and social media** – providing guidance on how we manage information or communications intended for external release.

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

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

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

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

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

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

In line with our sustainability strategy commitments, we make donations and partner with many community and non-profit organisations. In line with other major publicly listed companies, we do not make cash donations to political parties. We do however, pay fees to attend or facilitate events which allow for discussion of major policy issues with policy makers and opinion leaders that are organised by political parties. These payments can be considered as political donations in some circumstances, and are therefore declared to the relevant electoral commission or government agency as appropriate.

More detailed information about our approach to sustainability can be found in our 2019 Bigger Picture Sustainability Report available on our website at [telstra.com/sustainability/report](http://telstra.com/sustainability/report).

**Whistleblowing** – encouraging people to take action if they have concerns about unethical, illegal or improper behaviour, or about an improper state of affairs at Telstra. Our whistleblowing policy is supported by a confidential process that provides appropriate protections for anyone to report their concerns, a Whistleblowing service where people can report their concerns anonymously and professional investigators and case managers. Telstra's Whistleblowing Committee, which is chaired by the Company Secretary, receives any whistleblowing disclosures and oversees an investigation of each matter and any follow-up actions that are required. The Audit and Risk Committee oversees the whistleblowing process.

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

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



# 6 | Diversity and inclusion at Telstra

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

Telstra serves millions of diverse customers. We recognise the value of having diverse employees who represent their unique perspectives. Diversity of thought drives innovation which is essential to achieve our business strategy, and also supports our purpose to build a connected future so everyone can thrive.

As we transform Telstra, we're creating a very different business with new ways of working, leading and innovating. We're taking a holistic view of diversity, beyond measuring demographics like gender, age and ethnicity, while continuing to prioritise fairness and opportunity for under-represented employees.

All Telstra people can help create a culture where people feel safe, valued and empowered to speak up.

Our new strategy will accelerate innovation through diverse thinking in inclusive teams and is built around three foundational streams:

- Diverse perspectives – Ensuring under-represented people are heard and their diverse thinking is valued.
- Inclusive teams – Creating an inclusive culture so everyone can thrive.
- Flexibility and fairness – Flexibility enabled by technology. Fair policies and processes.

Our diversity and inclusion policy provides the framework for the Board to set our measurable objectives for achieving diversity (our policy is available on our governance website). Throughout the year, management and the Board (including through the Nomination and Remuneration Committees) assess our progress in achieving our objectives.



The table below summarises our objectives and our progress against them as at 30 June 2019, as well as our objectives in respect of FY20.

### Diversity targets and performance

Measure	Progress/Result in respect of FY19 (or as otherwise stated)	Objective in respect of FY20 (or as otherwise stated)
<b>Women on the Board</b>	<b>Objective</b> - There will be at least four women on the Board, representing a female gender representation among non-executive Directors of at least 40%. <b>Progress</b> - As at 30 June 2019, there were two women on the Board, representing a female gender representation among non-executive Directors of 25%.	There will be at least four women on the Board, representing a female gender representation among non-executive Directors of at least 40%.
<b>Diversity representation in graduate intake</b>	<b>Objective</b> - 50% female representation in the graduate intake selected in 2018, with an aspiration to also achieve 10% representation of people with a disability and 5% Indigenous representation among the graduate intake by 2020. <b>Result and progress</b> - The cohort that commenced in 2019 had 47%* female representation, 10% representation of people with a disability and 2% Indigenous representation (*52% of accepted offers were to female graduates, however there was some attrition before the start date, resulting in a 47% final result).	50% female representation in the graduate intake selected in 2019, with an aspiration to also achieve 10% representation of people with a disability and 5% Indigenous representation among the graduate intake by 2020.
<b>WGEA Employer of Choice for Gender Equality</b>	To be awarded the WGEA Employer of Choice for Gender Equality citation annually. <b>Result</b> - Achieved. Telstra awarded the 2018-19 WGEA Employer of Choice for Gender Equality citation.	-
<b>Female representation<sup>i</sup> at 30 June</b>	<b>Objective</b> - FY19 - Female representation at 30 June of 31.5% (Telstra Total) and 35% (Executive Management). <b>Result and Progress</b> - Female representation at 30 June 2019 of: • Telstra Total - 31.1% • Executive Management (Bands A-C) - 29.6%	Female representation at 30 June 2020 of 32% (Telstra Total), 32% (Executive Management) and 29% (all people management roles excluding Executive Management). <sup>ii</sup>

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

ii In our 2018 CGS we included targets for female representation for both FY19 and FY20. In February 2019, we amended our FY20 targets as follows:  
a. the target for female representation in Executive Management (Bands A - C) by 30 June 2020 was changed from 40% to 32%  
b. a new target was introduced for female representation in all people management roles (excluding Executive Management (Bands A - C)).

The key changes to our measurable objectives for FY20 as outlined above are:

- we have included a new objective for female representation in all people management roles (excluding Executive Management) of 29% by 30 June 2020. This new objective, approved by the Board in February, is in line with the Workplace Gender Equality Agency Employer of Choice citation criteria which highlights the importance of having a gender representation target for all people management levels where the current proportion of women is less than 40%.
- we have recalibrated our female representation in Executive Management target for FY20. This is as a result of our further analysis during the year of what realistic targets we should set, in line with WGEA's methodology. As we flatten our structure and replace general manager roles with technology leader roles, the new target maintains pressure to promote and recruit female talent in the short term with a longer term strategy to identify and develop women leaders for the future.
- we have removed Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality citation for FY20, as we believe resources in our Transformation and People function are better utilised for employee support than external citation at this time. Whilst we have decided not to have citation as a formal measurable objective this year, we will continue to prioritise gender equality and work towards all of our female representation targets.

### 6.1 Board diversity

For FY19, the Board's diversity objective was that there will be at least four women on the Board, representing a female gender representation among non-executive Directors of at least 40 per cent, recognising that the level of gender diversity of the Board may be temporarily affected during periods of Board renewal. The Board has maintained this objective for FY20.

As at 30 June 2019, there were two female Directors on the Board, representing a female gender representation among non-executive Directors of 25 per cent.

As discussed earlier in section 2.3, the Board has been undergoing a significant process of renewal which has impacted the level of female representation on the Board, following the departure of two of our female Directors during the year.

The Board is firmly committed to gender diversity, as demonstrated by the Board maintaining its diversity objective for FY20. The current Board renewal process continues our focus on diversity – both gender and beyond, to provide fresh thinking and different perspectives on the Board (whether through age, experience or otherwise). In appointing new Directors, the Board is very conscious of putting in place the right balance of skills, knowledge, experience and diversity on the Board to enable it to discharge its responsibilities effectively and add value.

The Board has a number of initiatives in place to meet its strategic imperative of ensuring the company has a diverse Board including ensuring a diverse range of qualified candidates is considered for appointment and developing a pipeline of potential Board candidates. A number of Directors also participate in formal and informal programs and arrangements to assist in the development of a broader pool of skilled and experienced Board candidates, such as mentoring for executives and non-executive directors (both female and male) across public, private and not-for-profit sectors.





## 6.2 Gender equality

This year we saw no material change in female representation across Telstra Corporation Limited and its wholly owned subsidiaries. Maintaining our overall female representation of 31% in a year of tremendous change was a relatively positive result, particularly given the growth of technology roles.

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

- our CEO, Andrew Penn, is a member of the 'Male Champions of Change'
- we designed a gender equal and flexible Australian parental leave policy which challenges traditional gender roles, encouraging more men to share the care of young children, enabling the careers of women. The policy was formally launched on 1 July 2019
- to formally drive gender equality across Telstra and ensure a standard of equality across our recruitment process, our Recruitment Equality Procedure mandates a minimum female representation of 50 per cent on shortlists and interview lists for all roles (except some specified roles where a 25 per cent requirement applies due to a known significant gender imbalance in the job market)

- we encourage our people to get involved by joining our Brilliant Connected Women network – a forum that now has over 2,000 members, male and female, who are committed to advancing gender equality in our business
- we remain a formally accredited White Ribbon Workplace, recognising our work to help stop violence against women and are a signatory to the UN Women's Empowerment Principles, and
- we recruit, develop, promote and pay our people in a way that supports our commitment to being more diverse and inclusive. Gender pay equity continues to be a key area of focus and we remain vigilant about how we administer and apply policy to avoid any bias in performance assessment and remuneration decisions

During the year, we were named as a 2019 Employer of Choice for Gender Equality by the Australian Government's Workplace Gender Equality Agency (WGEA) for the fifth time. We are required by the Workplace Gender Equality Act 2012 to report our workforce gender profile as at 31 March each year. Our 2019 report was lodged with the WGEA on 31 May 2019 and is available on our governance website.

### Representation of women in Telstra as at 30 June 2019

Role	Number	%
Board <sup>i</sup>	2	25%
Executive management <sup>*ii</sup>	50	29.6%
– CEO	0	0%
– CEO-1	4	36.4%
– CEO-2	16	32%
– CEO-3	30	27.8%
Middle management <sup>*iii</sup>	2,652	27.9%
Operational <sup>*iv</sup>	5,594	32.9%
<b>Telstra total*</b>	<b>8,300</b>	<b>31.1%</b>
<b>Telstra Group total**</b>	<b>8,972</b>	<b>31%</b>

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

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

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

#### Notes:

- Number and percentage relates to non-executive Directors.
- Executive management comprises persons holding roles within Telstra designated as Bands A, B and C. CEO is also included in the executive management total.
- Middle management comprises persons holding roles within Telstra designated as Bands 1 or 2, or equivalent.
- Operational comprises persons holding roles within Telstra designated as Bands 3 or 4, or equivalent.



### 6.3 Employee diversity and inclusion

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

#### Our diversity interview guarantee

Increasing diversity happens one decision at a time. It is all about getting the right talent in front of our hiring managers. To enable our leaders to strive to build and engage diverse teams across our enterprise, in September 2017 we launched a new recruitment procedure to increase our number of Indigenous employees and people living with a disability working at Telstra.

Our "interview guarantee" for shortlisted candidates means if any external candidates who identify as being Indigenous or living with a disability are shortlisted for a role, they will proceed to interview. The Indigenous component of the new procedure applies to all external candidates for roles in Australia. The people living with a disability component applies globally.

All recruitment decisions continue to be based on merit, and all quality candidates will continue to make their way through our recruitment process. However, by ensuring that candidates who meet our key diversity criteria – and who have already been shortlisted – are then interviewed, we can maximise our opportunity to consider these people for open roles, and therefore increase our pipeline of diverse talent.

#### Indigenous employment

In FY19 we contributed to the development of Telstra's 2019-2021 Reconciliation Action Plan (RAP) and achieved the Year One employment target of 0.8% representation of the Australian workforce. We also continued our partnership with Career Trackers Indigenous internship program to help

improve the participation of Indigenous Australians in the workforce and develop future talent. All four of the former Telstra Career Trackers interns who applied for the FY20 program were offered a place in the program. This year we were proud to host 20 interns at Telstra, achieving another RAP commitment.

#### Employment for people with a disability

During FY19, we hired 11 new employees who identify as living with a disability, and we continued to participate in the Australian Network on Disability Stepping into Internship program, for university students with a disability. We hosted 28 students in FY19, and in our most recent graduate intake 10 per cent of those selected identified as living with a disability.

#### LGBTI+ inclusion

Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI+) inclusion is important to us. We want our people to bring their whole selves to work and to feel comfortable doing so. We have long shown our support for LGBTI+ inclusion by supporting events like Wear it Purple Day, International day Against Homophobia, Biphobia and Transphobia and the Midsumma queer arts and entertainment festival. Spectrum, our LGBTI+ employees and allies' network with over 1800 members, celebrated its 10th anniversary in December 2018. We were awarded Silver in the Australian Workplace Equality Index Awards in May 2019.

### 6.4 Gender pay equity

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

The below table compares the average salaries across three levels of our Australian based employees, reflecting over 90 per cent of our employee population. The overall pay gap remains 7 per cent consistent with the prior year position.

Similar to last year, the larger pay gap exists at the operational level and is predominantly driven by a significant portion of operational employees being managed against fixed pay rates under our Enterprise Agreement. These fixed pay rates, which are typically in male dominated professions, are notably higher when compared to the pay of peers at the same level not aligned to these pay rates. In aggregate, we do not believe that we pay women and men differently for like roles.

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

Level	Comparison
Executive Management <sup>i</sup>	102%
Middle Management <sup>ii</sup>	97%
Operational <sup>iii</sup>	88%
<b>Overall % comparison</b>	<b>93%</b>

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

#### Notes:

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

## Other information

This Corporate Governance Statement has been approved by the Board of Telstra Corporation Limited and the information contained in it is current as at 30 August 2019, unless stated otherwise.

This statement, together with our 2019 ASX Appendix 4G (which is a checklist cross-referencing the ASX Recommendations to the relevant disclosures in this statement and our website (our ASX Appendix 4G)), have both been lodged with the ASX on 30 August 2019. This statement and our ASX Appendix 4G can also be found on our governance website at [telstra.com/governance](https://www.telstra.com/governance).

Our 2019 Annual Report has been lodged separately with the ASX on 30 August 2019 and is also available on our website at [telstra.com/investor](https://www.telstra.com/investor). Our 2019 Bigger Picture Sustainability Report was also released separately on 30 August 2019 and is available at [telstra.com/sustainability/report](https://www.telstra.com/sustainability/report).

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



# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

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

Name of entity

Telstra Corporation Limited

ABN / ARBN

33 051 775 556

Financial year ended:

30 June 2019

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>☐ These pages of our annual report:☒ This URL on our website: [telstra.com/governance](http://telstra.com/governance)

The Corporate Governance Statement is accurate and up to date as at **30 August 2019** and has been approved by the board.

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

Date: **30 August 2019**

Name of ~~Director or~~ Secretary authorising Sue Laver  
lodgement:

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

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

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

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

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

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

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

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



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to sections 2.3, 5 and 6) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> is available at <a href="http://telstra.com/governance">telstra.com/governance</a> (Governance documents and information section)</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 6): <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to sections 6.1 and 6.2) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> in our 2019 Report lodged with the Workplace Gender Equality Agency on 31 May 2019 which is available at <a href="http://telstra.com/governance">telstra.com/governance</a> (Governance documents and information section)</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.5) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.5) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.5) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.5) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> in the Remuneration Report (which forms part of the Directors' Report) in the 2019 Telstra Annual Report, which includes details of the remuneration outcomes for the FY19 year for the CEO and senior executives.</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> is available at <a href="http://telstra.com/governance">telstra.com/governance</a> (Governance documents and information section)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> in the Directors' Report (and the accompanying Board of Directors section) in the 2019 Telstra Annual Report</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.4) <b><u>OR AND</u></b></p> <p><input checked="" type="checkbox"/> in the Board of Directors section in the 2019 Telstra Annual Report</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.4) <b><u>OR</u></b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input checked="" type="checkbox"/> in the Board of Directors section in the 2019 Telstra Annual Report</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.4) <b><u>OR</u></b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.2) <b><u>OR</u></b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 2.7) <b><u>OR</u></b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>		
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 5.2) <b><u>OR AND</u></b></p> <p><input checked="" type="checkbox"/> is available at <a href="https://www.telstra.com/governance">telstra.com/governance</a> (Governance documents and information section)</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> is available at <a href="http://telstra.com/governance">telstra.com/governance</a> (Governance documents and information section)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> in the Directors' Report (and the accompanying Board of Directors section) in the 2019 Telstra Annual Report</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 4.4) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 4.1) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>

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



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> is available at <a href="http://telstra.com/governance">telstra.com/governance</a> (Governance documents and information section)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> at the Directors' Report (and the accompanying Board of Directors section) in the 2019 Telstra Annual Report</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 4.3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 4.3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 4.2) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> in the Our Material Risks section in the 2019 Telstra Annual Report and in the Bigger Picture 2019 Sustainability Report available at <a href="http://telstra.com/sustainability/report">telstra.com/sustainability/report</a>.</p>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> is available at <a href="http://telstra.com/governance">telstra.com/governance</a> (Governance documents and information section)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 3) <u>OR AND</u></p> <p><input checked="" type="checkbox"/> in the Directors' Report (and the accompanying Board of Directors section) in the 2019 Telstra Annual Report</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> in the Remuneration Report (which forms part of the Directors' Report) in the 2019 Telstra Annual Report</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (refer to section 5.2) <del>OR</del> <b>AND</b></p> <p><input checked="" type="checkbox"/> is available at <a href="https://telstra.com/governance">telstra.com/governance</a> (Governance documents and information section)</p>