

Audit Committee Charter



1. Introduction

This Charter outlines how the Audit Committee (the 'Committee') discharges its responsibilities in relation to Telstra Group Limited ('Telstra') and its controlled entities (together, 'the Group').

2. Role of the Committee

The Committee assists the Board in overseeing:

- a) external reporting of financial information regarding Telstra;
- b) external audit;
- c) internal financial control framework for the Group; and
- d) matters significantly impacting the financial condition or affairs of the Group.

3. Membership

The Board appoints the Committee members and its Chair, who must be an independent Director who is not Chair of the Board. The Committee must have at least three independent Board members who between them have sufficient accounting and financial knowledge. A member of the Risk & Sustainability Committee will also be a member of the Committee, and the Chair of the Audit Committee will be a member of the Risk & Sustainability Committee.

4. Responsibilities

The Committee's responsibilities include, but are not limited to:

4.1 Financial Reporting

- a) Reviewing and recommending to the Board for approval (a) the half year and full year report, including the Operating and Financial Review, Directors' Report (excluding the Remuneration Report which is overseen by the People & Remuneration Committee), Financial Report, corporate governance statement, related disclosures and regulatory filings¹, and (b) market guidance and financial forward-looking statements.
- b) Reviewing significant accounting and reporting issues, including changes to accounting standards and regulatory requirements and their impacts on the financial statements.
- c) Overseeing Telstra's periodic external financial reporting and the integrity of the key accounting and corporate reporting processes.
- d) Overseeing and monitoring financial, tax and accounting risks, governance and compliance with applicable laws and regulations.

4.2 External Audit

- a) Recommending to the Board the appointment and removal of the external auditor, approving terms of engagement and fees, and the external auditor's proposed annual audit scope and approach.
- b) Reviewing reports of the external auditor, assessing findings and recommendations, and seeking confirmation that management has addressed significant findings and recommendations.
- c) Reviewing and assessing the performance, independence and objectivity of the external auditor.
- d) Periodically meeting separately with the external auditor to discuss any matters that the Committee or auditors believe should be discussed privately and ensuring the external auditor has full access to

¹ Excluding the diversity disclosures which are reviewed by the People & Remuneration Committee and the material risk, sustainability and environmental disclosures which are reviewed by the Risk & Sustainability Committee. Matters relating to Board diversity are reviewed by the Nomination Committee.

meet with or otherwise liaise with the Chair of the Committee.

- e) Monitoring management's adherence to the policy on audit and non-audit services provided by the external auditor and advising the Board on whether the provision of non-audit services is compatible with the general standard of independence.

4.3 Financial Internal Controls

- a) Overseeing management's design, implementation and effectiveness of the Group's financial internal control systems, processes and assurance activities.
- b) Monitoring that significant financial internal control issues are being addressed by management on a timely basis.

4.4 Other Responsibilities

- a) Overseeing the Group CEO's² general delegations of authority to management.
- b) Reviewing and making recommendations to the Board in relation to the payment of dividends and capital management.
- c) Approving agreements or transactions within the ambit of clause 3.1(h) of the Telstra Group Board Delegations.
- d) Overseeing the Group's Treasury and Debt program, Treasury policy principles, and the Group Insurance program.
- e) Approving (jointly with the Group CEO) the appointment of any Telstra nominee directors³ who are not Telstra Group employees and who are appointed for reasons other than to satisfy local law requirements (**External Appointees**).⁴
- f) Approving the Group Internal Audit plan as it relates to the internal financial control framework of the Group.

5. Authority

The Committee has full delegated authority from the Board to fulfil its responsibilities, including access to internal and external resources, meeting with auditors without executives or management present, and obtaining independent advice at Telstra's expense.

6. Reporting Responsibilities

- a) The Chair of the Committee updates the Board regularly about matters relevant to the Committee's role, responsibilities, activities, and matters considered, discussed and resolved at Committee meetings.
- b) Information and papers considered by the Committee are provided to other Committees and/or the Board as relevant.
- c) The Chair of the Committee reports to the People & Remuneration Committee on any financial risk outcomes to enable such financial risk outcomes to be appropriately reflected in remuneration outcomes for the Group CEO, Senior Management, or others as appropriate.

² The term 'Group CEO' has the same meaning as set out in the Board Charter.

³ The term 'nominee director' has the meaning set out in Telstra's Business Rules for Nominee Directors and Corporate Representatives.

⁴ The Chair is delegated authority by the Audit & Risk Committee to approve External Appointees on its behalf.

7. Review of Committee Performance and Charter

The Committee:

- a) undertakes an annual self-assessment of its performance and provides that information to the Board;
- b) provides any information the Board may request to facilitate the Board's review of the Committee's performance and its members; and
- c) reviews this Charter annually and seeks Board approval for any changes.

8. Meeting Procedures

The Board and Board Committee Procedural Rules set out the procedures for meetings of the Committee.