



People & Remuneration Committee Charter

1. Introduction

This Charter outlines how the People & Remuneration 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:

- health, safety and wellbeing;
- remuneration¹ strategies and frameworks, including:
 - remuneration of the Board, the Managing Director and Chief Executive Officer of Telstra ('Group CEO') and the Group Company Secretary
 - performance and remuneration of Senior Management²;
 - non-routine remuneration arrangements (as defined in section 4.2);
 - equity based plans and cash incentive plans; and
 - remuneration disclosures;
- employee conduct;
- employee and industrial relations;
- talent, workforce capability, performance and succession planning (excluding Group CEO succession); and
- diversity, equity and inclusion (excluding Board diversity, equity and inclusion).

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 knowledge of remuneration practices, workplace conduct, people management and health, safety and wellbeing. The Chair of the Risk & Sustainability Committee will be a member of the Committee.

4. Responsibilities

The responsibilities of the Committee include, but are not limited to:

4.1 Health, Safety and Wellbeing

- a) reviewing the Group's health, safety and wellbeing performance, including monitoring the effectiveness of the Group's health, safety and well-being management system and considering significant issues relating to health, safety and wellbeing.
- b) reviewing and monitoring the Group's compliance with applicable legal and regulatory requirements associated with workplace health and safety.

¹ Where relevant to the role, "remuneration" includes fixed annual remuneration, short-term and long-term incentives, equity-based payments, benefits, pensions, superannuation and arrangements on cessation of employment.

² For the purposes of the work of the Committee, 'Senior Management' refers to the Group Executives who report directly to the Group CEO and any other members of the management team the Board determines should be included in that category.

4.2 Remuneration strategies and framework

Reviewing and **making recommendations** to the Board on:

- a) the Group's overall remuneration framework and monitoring its effectiveness in achieving the Group's remuneration strategies;
- b) whether any incentive payments to executives should be clawed-back in accordance with the Group's policies and plan terms;
- c) the remuneration and benefits of Telstra non-executive Directors;
- d) the terms and conditions of the Group CEO's employment (including any variations) and the Group CEO's remuneration arrangements and outcomes (having regard to the Board's assessment of the CEO's performance);
- e) the Group Company Secretary's remuneration arrangements and outcomes (having regard to the Board's assessment of the Group Company Secretary's performance);
- f) the remuneration arrangements (including arrangements on cessation of employment)³, performance outcomes (having regard to the Group CEO's assessment of performance) and remuneration outcomes for members of Senior Management;
- g) the design, ongoing performance and outcomes of all employee plans for direct Telstra employees⁴ involving equity in Telstra or a Group entity; and
- h) the annual remuneration report of Telstra, including overseeing the preparation and content of the report to confirm that it meets regulatory and legal disclosure requirements.

Reviewing and approving:

- 4.1.1. the design, ongoing performance and outcomes of all employee plans for employees of Telstra controlled entities involving equity in Telstra or a Group entity.
 - a) remuneration outcomes for the Group Internal Audit Executive and the Chief Risk Officer⁵.
 - b) non-routine remuneration arrangements (such as retention payments and sign-on bonuses) for employees of the Group in excess of limits delegated to management (other than plans that are covered by the Sales and Service Incentive governance framework or those which require Board approval under the Board Charter)⁶.

Overseeing:

- a) the Group's policies and practices in relation to commissions and incentives paid to its sales partners.

4.3 Employee conduct

- a) monitoring compliance with the Code of Conduct, including reviewing reports from management on conduct that is materially inconsistent with the Group's behaviours and habits or Code of Conduct (including material breaches and the action taken, or proposed to be taken, in response to those breaches);
- b) reviewing significant people related risks, the risk management plans management has put in place to deal with those risks and monitoring whether the Group is operating within the risk appetite set by the Board in respect of those risks;

³ The Chair of the Committee has been delegated authority by the Committee to make recommendations on its behalf to the Board on the remuneration arrangements on commencement and cessation of employment for members of Senior Management but may refer any such arrangements to the Committee for its review and recommendation.

⁴ For the purposes of this Charter, reference to "direct Telstra employees" means direct employees of Telstra Group Limited, Telstra Limited, Telstra Corporation Limited and Telstra International Holdings Pty Ltd.

⁵ For the purposes of this Charter, reference to "Group Internal Audit Executive" and "Chief Risk Officer" respectively includes the equivalent position or office in the event that the position or office is described in another manner.

⁶ The Chair of the Committee has been delegated authority by the Committee to approve non-routine arrangements on its behalf but may refer any such arrangements to the Committee for review and approval.

- c) reviewing and endorsing the Telstra Group Positive Duty Prevention and Response Plan ('P&RP') for Board approval and overseeing reporting on the P&RP's implementation outcomes, instances of unlawful conduct under the Sex Discrimination Act 1984 within the Group, and communications regarding the Group's positive duty obligations; and
- d) overseeing the process for the management of matters raised by whistleblowers and reviewing significant matters raised through the process.

4.4 Employee relations

- a) overseeing the Group's approach to and compliance with the obligations set by Telstra enterprise agreements and underpinning Awards;
- b) reviewing compliance with Australian and International requirements to ensure minimum entitlements (such as minimum wages, hours of work and leave entitlements) are provided to employees; and
- c) overseeing the Group's approach to industrial relations matters, including the maintenance of constructive relationships with representative unions.

4.5 Talent, Capability, Performance & Succession Planning

- a) overseeing the Group's strategies designed to attract, develop and retain employees;
- b) overseeing the approach to succession planning, performance management and talent and capability development across the Group, and the Group's overall capability needs; and;
- c) reviewing succession plans for Group Executive roles.

4.6 Diversity, Equity & Inclusion

- a) reviewing and approving the Group's policy and measurable objectives in relation to diversity, equity and inclusion at all levels below Telstra Board level;
- b) reviewing the Group's progress in achieving its measurable objectives in relation to diversity, equity and inclusion at all levels below Telstra Board level, and whether there is any gender or other inappropriate bias in remuneration for directors and employees; and
- c) reviewing Telstra's disclosures regarding diversity to meet its applicable disclosure obligations under the ASX Corporate Governance Principles & Recommendations and overseeing Telstra's reporting under the Workplace Gender Equality Act 2012.

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

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. Information and papers considered by the Committee are provided to other Committees and/or the Board as relevant.

7 Review of Committee Performance and Charter

The Committee:

- undertakes an annual self-assessment of its performance and provides that information to the Board;
- provides any information the Board may request to facilitate the Board's review of the Committee's performance and its members; and
- 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.