

NOMINATION COMMITTEE CHARTER

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1 INTRODUCTION

This Charter has been developed and approved by the Board of Telstra to outline the manner in which the Nomination Committee discharges its responsibilities.

2 ROLE OF THE NOMINATION COMMITTEE

The Nomination Committee is a Committee of the Board established under rule 26.6 of Telstra's Constitution to assist the Board in discharging its responsibilities on matters relating to:

- 2.1 composition and performance of the Board (including Board diversity);
- 2.2 Director independence;
- 2.3 appointment of the CEO and CEO succession planning;
- 2.4 CEO and Company Secretary performance; and
- 2.5 outside directorship requests from executives in relation to publicly listed companies or managers of listed managed investment schemes.

3 MEMBERSHIP

- 3.1 The Board appoints the Nomination Committee members and its Chairman.
- 3.2 The Committee must be comprised of at least three Board members including the Chairman of the Board, all of whom are determined by the Board to be independent.
- 3.3 Each member is expected to:
 - 3.3.1 have a reasonable knowledge of Telstra and the industries in which it operates; and
 - 3.3.2 have the capacity to devote the required time and attention to prepare for and attend Committee meetings.

4 RESPONSIBILITIES

In performing its role, the responsibilities of the Nomination Committee include, but are not limited to:

4.1 Board Composition and Performance

Composition - General

- 4.1.1 Monitoring, reviewing and making recommendations to the Board on matters relating to the size and composition of the Board.
- 4.1.2 Formally assessing and making recommendations to the Board in relation to the appropriate mix of skills, experience, expertise and diversity required on the Board and assessing the extent to which the required skills are represented on the Board (through, among other things, a Board skills matrix).
- 4.1.3 Making recommendations to the Board in relation to Board succession, including the succession of the Chairman, to maintain an appropriate mix of skills, experience, expertise and diversity on the Board.

Board Diversity

- 4.1.4 Reviewing Telstra's policy in relation to Board diversity and making recommendations to the Board for amendments to that policy, as required.
- 4.1.5 Making recommendations to the Board regarding measurable objectives for achieving Board diversity.
- 4.1.6 Reviewing and reporting to the Board in relation to Board diversity, and progress in achieving the measurable objectives set by the Board in relation to Board diversity.

Appointment, Election and Re-Election of Directors

- 4.1.7 Establishing processes for the selection of suitable candidates for appointment to the Board (including ensuring that appropriate checks are undertaken before appointing a person, or putting forward to shareholders a candidate for election, as a Director) and the reappointment of incumbent Directors.
- 4.1.8 Making recommendations to the Board regarding the appointment and reappointment of Directors.
- 4.1.9 Reviewing and making recommendations regarding the terms of appointment of non-executive Directors.
- 4.1.10 Ensuring that an appropriate program is in place for inducting all new Directors and providing appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role effectively.

Performance

- 4.1.11 Establishing, monitoring and making recommendations to the Board in relation to processes for the review of the performance of individual non-executive Directors, the Board as a whole and the operation of Board Committees, including (where appropriate) engaging external consultants.
- 4.1.12 Identifying, assessing and, where appropriate, developing plans to enhance Director competencies.

- 4.1.13 Monitoring and reviewing the time commitment required by non-executive Directors to Telstra Board matters having regard to Director's commitments to Telstra and others.

4.2 **Director Independence**

- 4.2.1 Monitoring, undertaking an annual assessment of and making a recommendation to the Board as to the independence of each Director.
- 4.2.2 Ensuring the Board's final conclusions regarding Director independence and any other relevant information are included in the disclosures made in the annual report.

4.3 **Appointment of the CEO and CEO succession planning**

- 4.3.1 Reviewing succession plans for the position of CEO.
- 4.3.2 Making recommendations to the Board regarding the appointment, reappointment and, should it be necessary, the termination of the CEO's employment.
- 4.3.3 If the position of CEO becomes vacant:
 - a) determining the appropriate strategy and overseeing the process for the selection of suitable candidates for appointment as a new CEO; and
 - b) reviewing the qualifications, skills and experience of potential candidates for the role of CEO.

4.4 **CEO and Company Secretary Performance**

- 4.4.1 Monitoring, reviewing and making recommendations to the Board on the key accountabilities including corporate goals and objectives and the appropriate performance measures for the CEO.
- 4.4.2 Monitoring the performance of the CEO and, at least annually, undertaking a formal review of the CEO's performance against agreed measures, considering the CEO's compensation and entitlement to performance based remuneration and reporting its findings and recommendations to the Board.
- 4.4.3 Monitoring, reviewing and making recommendations to the Board on the key accountabilities including the appropriate performance measures for the Company Secretary.
- 4.4.4 Monitoring the performance of the Company Secretary and, at least annually, undertaking a formal review of the Company Secretary's performance against agreed measures and reporting its findings and recommendations to the Board.

4.5 **Outside Directorship Requests**

Reviewing and approving requests from executives to become a director of a company that is itself listed or is the manager of a listed managed investment scheme.

4.6 **Other**

Performing any other duties and undertaking or overseeing any specific projects as the Board may from time to time request.

5 AUTHORITY

The Nomination Committee has full delegated authority from the Board to fulfil its responsibilities as set out in section 4 above. The Nomination Committee has rights of access to adequate internal and external resources, including:

- 5.1 having unrestricted access to management, employees and information the Nomination Committee considers relevant to its responsibilities under this Charter; and
- 5.2 obtaining independent advice, at Telstra's expense, including engaging and receiving advice and recommendations from appropriate independent experts.

6 REPORTING RESPONSIBILITIES

The Chairman of the Nomination Committee updates the Board regularly about matters relevant to the Nomination Committee's role, responsibilities, activities, and matters considered, discussed and resolved at Committee meetings.

7 REVIEW OF NOMINATION COMMITTEE PERFORMANCE AND CHARTER

- 7.1 In order to ensure that the Nomination Committee is fulfilling its duties, it:
 - 7.1.1 undertakes an annual self-assessment of its performance against the requirements of its Charter and provides that information to the Board; and
 - 7.1.2 provides any information the Board may request to facilitate its review of the Committee's performance and its members.
- 7.2 The Nomination Committee reviews and assesses the adequacy of the Nomination Committee 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.