

Board Charter



1. Introduction

This Charter has been developed and approved by the Board to outline the manner in which the Board discharges its responsibilities in relation to Telstra Group Limited ('Telstra') and the controlled entities in the Telstra Group (together, 'the Group').

The powers and duties of individual Directors are set out in the Constitution and at law. Directors are expected to observe the highest standards of ethical behaviour at all times.

2. Role of the Board

The Board is responsible, and is accountable to shareholders, for managing the business of the Group. The central roles of the Board are to set the Group's strategy, select and appoint the Managing Director and Chief Executive Officer of Telstra ('Group CEO') and oversee the management, performance and governance of the Group.

3. Board Reserved Powers and Responsibilities

In addition to the matters required by law to be approved by the Board, the matters set out below are Board reserved powers and key responsibilities:

3.1 Board Reserved Powers

Authorising all matters which are within the reserved powers of the Board and responsibility for which has not been delegated to management, which relate to:

- 3.1.1 significant expenditure and acquisition and divestment transactions.
- 3.1.2 material variations to the annual corporate plan.
- 3.1.3 capital management initiatives including the payment of dividends, share issues, buy backs and returns of capital.
- 3.1.4 related party transactions that require shareholder approval.
- 3.1.5 transactions between a Group entity and any Director of Telstra (or an entity controlled by a Director), unless the transaction is trivial or domestic in nature.
- 3.1.6 specified National Broadband Network transaction related matters expressly reserved for the Board.
- 3.1.7 matters requiring approval by the Board or one of its Committees under the terms of their respective charters.
- 3.1.8 transactions imposing personal obligations on Directors.
- 3.1.9 changes to the asset boundaries set out in the Implementation Deed between Telstra Corporation Limited, Telstra and Telstra Limited relating to the corporate restructure.
- 3.1.10 any other matters which the Group CEO considers ought to be approved by the Board or which the Board asks to be brought to it for approval.

3.2 Strategy and Corporate Plan

Approving and monitoring the implementation of, and performance against, the Group's strategy and corporate plan.

3.3 Group CEO and Senior Management

- 3.3.1 Appointing and, should it be necessary, terminating the employment of the Group CEO.
- 3.3.2 Approving the appointment and, should it be necessary, the cessation of the employment (including payments made upon cessation of employment) of any member of Senior Management, the

Company Secretary of Telstra (“Group Company Secretary”), and the Group Internal Audit Executive.

3.4 Remuneration and Performance

- 3.4.1 Approving the Group’s overall remuneration framework, including the design of and the outcomes under all employee plans involving equity in Telstra or a Group entity.
- 3.4.2 Determining the remuneration of Telstra non-executive Directors within the limits approved by the shareholders.
- 3.4.3 Approving the remuneration arrangements, key accountabilities and performance measures for the Group CEO and the Group Company Secretary, assessing their performance and approving their remuneration outcomes.
- 3.4.4 Approving the remuneration arrangements, and performance and remuneration outcomes for Senior Management¹.
- 3.4.5 Overseeing that the Group’s overall remuneration framework, and the remuneration arrangements and outcomes for the Group CEO and Senior Management, encourage employees to pursue the Group’s strategy and success without rewarding conduct that is contrary to the Group’s behaviours and habits or risk appetite.
- 3.4.6 Approving the claw-back of any incentive payments to executives in accordance with the Group’s policies and plan terms.
- 3.4.7 Reviewing succession and talent development plans for potential successors to the CEO role.

3.5 Financial Management

- 3.5.1 Overseeing the Group’s financial position and funding strategy.
- 3.5.2 Approving the annual financial statements, the half year financial statements, the Directors’ report and significant related disclosures of Telstra.
- 3.5.3 Approving decisions concerning the capital of Telstra, including capital restructures, capital returns, share buy backs, dividend policy and the payment of dividends.
- 3.5.4 Overseeing Telstra’s external audit activities including appointment and removal of the external auditor.

3.6 Risk and Compliance Management

- 3.6.1 Approving the Group’s risk management policy and compliance management policy.
- 3.6.2 Reviewing the risks relevant to the Group that have the potential to have a material impact on the Group’s business, setting the risk appetite within which the Board expects management to operate in respect of those risks, and overseeing the risk management framework implemented by management to identify and manage those risks.
- 3.6.3 Monitoring Telstra’s internal audit activities and internal control and reporting systems.

3.7 Corporate Governance, Compliance and ESG

- 3.7.1 Monitoring and influencing the Group’s culture, reputation, ethical standards and legal compliance, and overseeing the Group’s corporate governance framework and the key supporting policies governing the operations of the Group (including approving the Telstra Group Code of Conduct (which includes the Group’s behaviours and habits) (‘Code of Conduct’), the Group’s Positive Duty Prevention and Response Plan (‘P&RP’) and the Group’s Treasury policy principles).
- 3.7.2 Approving Telstra’s corporate governance statement.
- 3.7.3 Overseeing the Group’s approach to ESG (environmental, social and governance) and monitoring its performance, including approving key external environmental and social targets, approving key environmental disclosures (including those in the Annual Report) and modern slavery disclosures, and overseeing climate and nature-related risks and opportunities.

¹ For the purposes of this Charter, reference to “Group Internal Audit Executive” includes the equivalent position or office in the event that the position or office is described in another manner.

- 3.7.4 Monitoring the Group's health and safety performance.
- 3.7.5 Overseeing shareholder reporting and communications and the Group's process for complying with its continuous disclosure obligations.
- 3.7.6 Overseeing the Group CEO's delegation of authority to management.
- 3.7.7 Monitoring significant litigation in which the Group is involved.

3.8 Diversity

- 3.8.1 Approving the Group's policy in relation to diversity, equity and inclusion and the Telstra Board diversity policy and subsequent amendments to the policies.
- 3.8.2 Setting and assessing annually measurable objectives in relation to diversity, equity and inclusion for the Group and in relation to Telstra Board diversity and progress in achieving them.

4. Board Composition, Independence and Conduct

4.1 Composition

- 4.1.1. The Board determines the size and composition of the Board, subject to the terms of the Constitution and any applicable legislation.
- 4.1.2. The Board formally assesses the appropriate mix of skills, experience, expertise and diversity required on the Board and the extent to which they are collectively represented on the Board (through, among other things, use of a Board skills matrix, which sets out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership).

4.2 Independence

- 4.2.1. It is the Board's intention that the Group CEO is the only executive Director and that all non-executive Directors are also independent Directors.
- 4.2.2. All Directors, whether independent or not, are required to act in the best interests of Telstra and to exercise unfettered and independent judgement.
- 4.2.3. The Board assesses, at least annually, the independence of each Director and includes this information in the annual report.
- 4.2.4. Telstra defines an independent Director as a non-executive Director who is free of any interest, position or relationship that might influence, or could reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Telstra and the Group, rather than in the interests of an individual security holder or other party.
- 4.2.5. When assessing the independent status of a Director, the Board considers the relationships potentially affecting the independent status of a director as described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations.
- 4.2.6. The Board may determine that a Director is independent notwithstanding the existence of a relationship of the kind referred to above. However, the Board will state the reasons for making its determination in such a case.
- 4.2.7. If at any time during the year a Director ceases or may have ceased to be independent he/she is required to advise the Chair immediately. Where the Board determines a Director is no longer independent an announcement will be made to the market.

4.3 Conduct

- 4.3.1. Each Director is required to comply with the terms of their appointment, as well as the Group's behaviours and habits, the Code of Conduct and any Group policies applicable to them.
- 4.3.2. Directors are expected to demonstrate leadership and challenge management and hold it to account.

5. Role of The Chair

- 5.1 The Chair is an independent Director and is appointed by the Board.
- 5.2 The Chair's principal responsibilities are to provide appropriate leadership to the Board and Telstra and to ensure the Board fulfils its obligations under this Charter.
- 5.3 The Chair also has specific responsibilities to:
 - 5.3.1 chair Board meetings, non-executive Directors' meetings and shareholders' meetings, and facilitate discussion within each meeting.
 - 5.3.2 Represent the views of the Board and the Group to shareholders and the public and to ensure the Board understands the views of the major shareholders.
 - 5.3.3 maintain a regular dialogue and mentoring relationship with the Group CEO and Senior Management, serving as a primary link between the Board and management and providing continuity between Board meetings.
 - 5.3.4 approve agenda items and ensure adequate time is available for their discussion.
 - 5.3.5 work with the Group CEO in relation to the Board's requirements for information to contribute effectively to the Board decision making process and to monitor the effective implementation of Board decisions.

6. Role of the Group Company Secretary

- 6.1 The Group Company Secretary reports directly to the Board through the Chair on matters relating to the proper functioning of the Board and all Directors have access to the Group Company Secretary.
- 6.2 The Group Company Secretary's role includes:
 - 6.2.1 advising the Board and its Committees on governance matters.
 - 6.2.2 monitoring that Board and Committee policies and procedures are followed.
 - 6.2.3 coordinating all Board business including meetings, agendas, Board and Committee papers and minutes, and monitoring the completion of actions arising from Board and Committee meetings.
 - 6.2.4 providing a point of reference for dealings between the Board and management.
 - 6.2.5 retaining independent professional advisors at the request of the Board, Board Committee or as permitted under this Charter.
 - 6.2.6 helping to organise and facilitate the induction and professional development of Directors.

7. Delegation to Management

- 7.1 Subject to formal delegations of authority, the Board has delegated the management function to the Group CEO.
- 7.2 The Group CEO is responsible to the Board for, among other things:
 - 7.2.1 developing and implementing the Group's strategy and managing the organisation in accordance with its strategy and corporate plan;
 - 7.2.2 the day to day management and performance of the Group (including instilling and reinforcing the Group's behaviours and habits and Code of Conduct); and
 - 7.2.3 together with Senior Management, making recommendations to the Board regarding the risk appetite within which the Group should operate, making recommendations on any changes to the risk appetite set by the Board and notifying the Board (or relevant Committee) if the Group is operating outside of its risk appetite.
- 7.3 The Group CEO is accountable to the Board for the exercise of the delegated authority. The Group CEO must report to the Board on the exercise of the delegated authority through the provision of reports, briefings and presentations to the Board on a regular basis throughout the year.
- 7.4 The Group CEO, together with Senior Management, must provide the Board with accurate, timely and clear information on the Group's operations to enable the Board to perform its responsibilities,

and are responsible for ensuring that an appropriate framework exists for relevant information to be reported by management to the Board.

- 7.5 Management is responsible for the preparation, presentation and integrity of information provided to the Board (and its Committees).

8. Committees

- 8.1 The Board may from time to time establish appropriate committees of Directors to assist it by focussing on specific responsibilities in greater detail than is possible for the Board as a whole, reporting to the Board and making any necessary recommendations.
- 8.2 There are four standing committees:
- 8.2.1 Audit Committee
 - 8.2.2 Risk & Sustainability Committee
 - 8.2.3 Nomination Committee
 - 8.2.4 People & Remuneration Committee
- 8.3 It is a Board requirement that all members of the Audit Committee, Risk & Sustainability Committee, Nomination Committee and People & Remuneration Committee are independent Directors. Membership of each Committee will be reviewed at least every three years.
- 8.4 Each formally constituted Committee has a written Charter, approved by the Board, which is reviewed annually.
- 8.5 Formal minutes of each Committee meeting are prepared and circulated to the Directors. In addition:
- 8.5.1 a verbal report is provided by the Committee Chair at the next Board meeting; and
 - 8.5.2 information and papers considered by a Committee are provided to other Committees and the Board as relevant.
- 8.6 The Board may also delegate specific functions to ad hoc committees on an “as needs” basis.

9. Meetings

The Board has established procedures for conducting Board meetings and meetings of Board Committees and Directors.

10. Declaration of Interests

- 10.1 Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests.
- 10.2 Each Director will comply with Telstra’s Directors’ Interests Policy, and any other relevant Board policy.

11. Access to Management

Directors have complete access to Senior Management through the Chair, Group CEO or Group Company Secretary at any time. In addition to regular presentations by Senior Management to Board meetings, Directors may seek briefings from Senior Management on specific matters.

12. Access to Independent Professional Advice

- 12.1 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.

12.2 All Committees of the Board have access to independent professional advice on this basis.

12.3 In certain circumstances, each Director has the right to seek independent professional advice at Telstra's expense within specified limits.

13. Induction and Training

13.1 All new Directors undertake an induction program.

13.2 Director education is conducted regularly and is incorporated into the annual Board cycle.

13.3 All Directors are given the opportunity to undertake professional development education activities to assist them in fulfilling their duties and responsibilities and keeping up to date with relevant issues.

14. Review of Board Performance and Charter

14.1 The Board undertakes an annual review and assessment of its performance, the performance of individual Committees and the performance of individual Directors.

14.2 Prior to each annual general meeting, the Board determines if the Board will recommend that shareholders vote in favour of the re-election of the Directors due to stand for re-election, having regard to those Directors' annual performance reviews and any other matters it considers relevant.

14.3 The Board reviews this Charter annually and makes any appropriate changes.