



PEOPLE & REMUNERATION COMMITTEE CHARTER

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1 INTRODUCTION

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

2 ROLE OF THE COMMITTEE

- 2.1 The Committee is a committee of the Board established under Telstra's Constitution to assist the Board in discharging its responsibilities on matters relating to:
 - 2.1.1 remuneration strategies and practices generally;
 - 2.1.2 remuneration¹ of the Board;
 - 2.1.3 remuneration¹ of the Managing Director and Chief Executive Officer of Telstra ('Group CEO') and Company Secretary of Telstra ('Group Company Secretary');
 - 2.1.4 performance and remuneration¹ of Senior Management²;
 - 2.1.5 non-routine remuneration arrangements;
 - 2.1.6 employee equity plans and cash incentive plans;
 - 2.1.7 people, culture and conduct;
 - 2.1.8 talent, capability and succession planning (excluding Group CEO succession);
 - 2.1.9 diversity, equity and inclusion (excluding Board diversity, equity and inclusion); and
 - 2.1.10 remuneration disclosures.
- 2.2 Management is responsible for, among other things:
 - 2.2.1 implementing the Group's remuneration framework, strategies, policies, plans and arrangements as approved by the Committee and/or the Board;
 - 2.2.2 implementing the Group's talent, capability development and succession planning frameworks and strategies;
 - 2.2.3 the preparation, presentation and integrity of Telstra's and Telstra Corporation Limited's annual remuneration reports;
 - 2.2.4 developing initiatives to instil and reinforce the Group's Values and compliance with the Telstra Group Code of Conduct ('Code of Conduct'), and implementing a framework to report relevant information to the Committee or the Board regarding culture and any conduct that is materially inconsistent with the Group's Values or Code of Conduct;
 - 2.2.5 ensuring that any circumstances requiring the Group to operate outside of the risk appetite set by the Board in respect of the selected people related risks reviewed by

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.

the Committee are brought to the attention of the Committee or the Board.

The Committee has primary oversight of management in its performance of these functions.

- 2.3 The Board of Telstra Corporation Limited is responsible for approving the Telstra Corporation Limited remuneration report.

3 MEMBERSHIP

- 3.1 The Board appoints the Committee members and its Chair.
- 3.2 The Committee must be comprised of at least three Board members, all of whom are determined by the Board to be independent.
- 3.3 Each member is expected to have adequate knowledge of remuneration practices and issues and matters relevant to workplace culture, conduct and people management.

4 RESPONSIBILITIES

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

4.1 Remuneration strategies and practices generally

- 4.1.1 Reviewing the Group's overall remuneration framework, strategies, policies and practices, including:
- a) making recommendations to the Board on the Group's overall remuneration framework and monitoring its effectiveness in achieving the Group's remuneration strategies;
 - b) monitoring 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 Values or risk appetite;
 - c) making recommendations to the Board on whether any incentive payments to executives should be clawed-back in accordance with the Group's policies and plan terms;
 - d) reviewing that Group CEO and Senior Management remuneration packages involve a balance between fixed and incentive pay, reflecting appropriate short and long-term performance objectives; and
 - e) overseeing the Group's policies and practices in relation to commissions and incentives paid to its sales partners.
- 4.1.2 Reviewing the recruitment, retention and termination policies and employment terms for Senior Management.

4.2 Remuneration of the Board

Reviewing and making recommendations to the Board regarding the remuneration and benefits of Telstra non-executive Directors, including whether there is any gender or other inappropriate bias in remuneration for non-executive Directors.

4.3 Terms of employment and remuneration of the Group CEO

Reviewing and making recommendations to the Board on:

- a) the terms and conditions of the Group CEO's employment (including any variations), and overseeing related disclosures;
- b) the Group CEO's remuneration arrangements and outcomes (having regard to the Board's assessment of the CEO's performance).

4.4 Remuneration of the Group Company Secretary

Reviewing and making recommendations to the Board on the Group Company Secretary's remuneration arrangements and outcomes (having regard to the Board's assessment of the Group Company Secretary's performance).

4.5 Performance and remuneration of Senior Management

- 4.5.1 Reviewing and making recommendations to the Board on:

- a) the remuneration arrangements (including arrangements on cessation of employment) and remuneration outcomes for members of Senior Management; and
 - b) performance outcomes for Senior Management (having regard to the Group CEO's assessment of the performance of members of Senior Management).
- 4.5.2 Reviewing and approving remuneration outcomes for the Group Internal Audit Executive and the Chief Risk Officer³.

4.6 Non-routine remuneration arrangements

Reviewing and approving non-routine remuneration arrangements (such as retention payments and sign-on bonuses) for employees of Telstra and specified Group entities⁴ in excess of limits delegated to management (other than in respect of the Group CEO, Senior Management or the Group Company Secretary which require Board approval under the Board Charter)⁵.

4.7 Cash Incentive Plans

Reviewing and approving the design and outcomes of all cash incentive plans provided by Telstra or specified Group entities⁴ with a total expenditure in excess of limits delegated to management, excluding:

- a) plans that are covered by the Sales and Service Incentive governance framework; and
- b) plans for the Group CEO, Senior Management or the Group Company Secretary (which require Board approval under the Board Charter).

4.8 Employee equity plans

4.8.1 Reviewing and making recommendations to the Board on the design and outcomes of all employee plans involving equity in Telstra or a Group entity.

4.8.2 In relation to employee plans involving equity in Telstra:

- a) monitoring their ongoing performance; and
- b) exercising all powers, authorities, discretions and decisions delegated to the Committee by the Board.

4.9 People, culture and conduct

4.9.1 Overseeing the Group's strategies designed to attract, develop and retain employees.

4.9.2 Monitoring the culture within the Group and the effectiveness of management's initiatives to instil and reinforce the Group's Values and compliance with the Code of Conduct, including reviewing reports from management on culture and any conduct that is materially inconsistent with the Group's Values or Code of Conduct (including material breaches and the action taken, or proposed to be taken, in response to those breaches).

4.9.3 Reviewing selected 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.

4.10 Talent, capability and succession planning

4.10.1 Reviewing succession and talent development plans for Senior Management roles.

4.10.2 Overseeing the approach to succession planning, and talent and capability development across the Group, and the Group's overall capability needs.

4.11 Diversity

4.11.1 Reviewing and making recommendations to the Board on the Group's policy and measurable objectives in relation to diversity, equity and inclusion at all levels below Telstra Board level.

³ 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.

⁴ For the purposes of this Charter, 'specified Group entities' refers to the controlled entities in the Group which the Committee has determined should be subject to its oversight for the purposes of the relevant provision of the Charter.

⁵ 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.

- 4.11.2 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 employees.
- 4.11.3 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.

4.12 Remuneration Disclosures

- 4.12.1 Overseeing the preparation and content of the annual remuneration report of Telstra to confirm that it meets regulatory and legal disclosure requirements.
- 4.12.2 Reviewing the annual remuneration report of Telstra prior to its recommendation to the Board.
- 4.12.3 Reviewing the annual remuneration report of Telstra Corporation Limited from a Telstra perspective.

4.13 Other

- 4.13.1 Approving the appointment of remuneration consultants for the purposes of the Corporations Act.
- 4.13.2 Performing any other duties and undertaking or overseeing any specific projects as the Board may from time to time request.

5 AUTHORITY

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

- 5.1 having unrestricted access to management, employees and information of the Group the 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

- 6.1 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.
- 6.2 Information and papers considered by the Committee are provided to other Committees and/or the Board as relevant.
- 6.3 For each half year and full year, the Audit & Risk Committee provides the Committee with an overview of the key risk issues considered by the Audit & Risk Committee, so the Committee can consider those issues in assessing the performance and remuneration outcomes for the Group CEO and Senior Management.

7 REVIEW OF COMMITTEE PERFORMANCE AND CHARTER

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