Australian Shareholders' Association Limited
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Telstra returns its focus back to the network

Company/ASX Code	Telstra Corporation/TLS
AGM time and date	Tuesday, 14 October 2025 at 9:30am
Location	Melbourne Convention and Exhibition Centre
Registry	MUFG
Type of meeting	Hybrid
Monitor	Mike Robey, assisted by Mike Muntisov and Matthew Hamilton
Pre-AGM Meeting	Yes with chair Craig Dunn and IR mgr. Nathan Burley

Monitor Shareholding: The individual(s) (or their associates) involved in the preparation of this voting intention have no shareholding in this company.

1. How we intend to vote

No.	Resolution description	
3a	Re-election of Eelco Blok	For
3b	Re-election of Mr Craig Dunn	For
3c	Election of Mr David Lamont	For
4a	Grant of FY25 EVP restricted shares to the CEO	For
4b	Grant of FY 25 EVP performance rights to the CEO	For
4c	Grant of FY26 LTI Performance rights to the CEO	For
5	Remuneration report	For

2. Summary of Issues and Voting Intentions for AGM

- The ASA has no material issues with Telstra

3. Matters Considered

Accounts and reports

There are no matters of concern in the accounts and it has been a good year for the company and its shareholders, as the table below details.

Financial performance

(As at FYE)	**2025**	**2024**	**2023**	**2022**	**2021**
NPAT ($m)	2300	1622	2051	1814	1902
UPAT ($m)					
Share price ($)	4.84	3.62	4.30	3.85	3.76
Dividend (cents)	19	18	17	16	16
Simple TSR* (%)	39	(11.6)	16.1	25.2	(14.5)
EPS (cents)	18.9	14.1	17	16	15
CEO total remuneration, actual ($m)	6.182	4.896	4.391	5.305	3.656

* Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Key events

Telstra has sold its share of Foxtel and terminated many network data services which formed a major portion of Enterprise business product set. The former because it is increasingly uncompetitive with the global streaming services, and the latter because they have been superseded by the offerings of cloud-based service providers. This has returned the telco to its origins as a network provider, without the distraction of low margin application services. This is a direction we have promoted to the chair over the past few years and should ensure greater focus on core business of connectivity.

Key board or senior management changes

Mr. Eric Van Damme, one of the traditional network experts has stepped down from the board after 6 years to be replaced by Mr. David Lamont.

In addition, Mr. Brendan Riley, one of the longest serving senior executives and recently CEO of the InfraCo business unit, which includes Amplitel, the mobile towers business, has also retired.

Sustainability/ESG

Telstra has a detailed sustainability plan and annual report which is supported by senior executive accountability and has strong board oversight. It has been elevated in status by being part of the newly formed risk and sustainability board subcommittee. Key takeouts this year are that Telstra has been named one of Time magazine's world's most sustainable companies and the Financial Times APAC climate leaders. In practice it has reduced its Scope 1 and 2 emissions by 44% and Scope 3 by 43% of baseline FY 19 levels. As we mentioned in last year's report Telstra purchased most of its power from renewable power suppliers.

ASA focus issues

Nothing of note.

4. Rationale for Voting Intentions

Resolution 3a. Re-Election of Eelco Blok (For)

Mr. Blok, (along with existing US experienced Mr. Chestnutt) has the most experience in telco on the board, having a lifetime career in the Dutch KPM company (Dutch equivalent of Telstra) serving as its CEO for 7 years. With the departure of Mr. Van Damme, Mr. Blok is a valued font of traditional telco expertise, with a useful financial background.

He has a few honorary directorships but is not overloaded and has adequate shareholding, as skin-in-the-game (75,000 shares).

We strongly support his re-election.

Resolution 3b. Re-election of Mr. Craig Dunn (For)

Mr. Dunn has been on the board for 9 years, with the past two as chair. We raised the issue of his long tenure and that he will, if re-elected, extend to 12 years of service and he stated that he will not stand for re-election after this term.

His first term as chair has been relatively smooth (particularly in comparison with Optus!) and he has overseen a much welcome focus of strategy on core network capability alongside continued digitization. He has adequate shareholding (128k). He has board responsibilities with an HR leadership company and cancer charity, as well as MLC life Insurance and Lion Brewing. We do not think these lead to an excessive workload, so endorse his re-election for a final term.

Resolution 3c. Election of Mr. David Lamont (For)

Mr. Lamont comes with a broad range of CFO Executive experience in some of Australia's largest companies including BHP and CSL, where he served 5-year terms as CFO. He is a director of AOA group and will have adequate time to direct toward Telstra, plus the experience from two companies with highly developed and quite different capital management models. In the current environment of potential tapering of network data traffic, he is well positioned to challenge develop-at-all-costs engineering cultures. In his short stay on the board (less than a year) he already has 100k shares, so is in the game.

The ASA supports his election.

Resolution 4a. Grant of FY 25 EVP restricted shares to the CEO (For)

This resolution concerns the portion of the former remuneration structure, which will be replaced in 2026 by a more market-normal STI and LTI structure. This portion of the EVP (Executive Variable remuneration Plan) is roughly equivalent to an STI but differs in that instead of being over 2 years (typically half in cash and half in deferred shares), it vests yearly for four years, so this resolution will approve quarterly restricted shares totaling 445,247 over the four-year period. The hurdles required to determine the total are many and include four financial, two customer and three strategic. Ms. Brady was assessed against all these in the scorecard and achieved 87.3% of her maximum.

We agree with the computation of this and therefore support this grant.

Resolution 4b. Grant of FY 25 performance rights to the CEO (For)

This resolution refers to the portion of the CEO EVP which is the long-term incentive (roughly equivalent to a conventional LTI).

These rights amount to 508,853 and will be tested against the peer group of ASX-listed companies in 5 years and will be assessed against 5 year relative total shareholder return (rTSR). They therefore will remain in play until 2030.

Whilst this EVP is an unusual construct, we voted in favour of it last year and have no difficulty supporting it again this year, in particular given this will be the last of its kind, given the move to a more conventional STI/LTI structure in 2026.

Resolution 4c. Grant of FY 26 performance rights to the CEO (For)

This concerns the LTI component of the new remuneration structure which commences in FY2026.

The structure here is much simplified from the former EVP. The LTI has two components, namely one using underlying return on invested capital (uROIC) over three years and the other rTSR over four years against a suitable ASX50 comparator group. The combination of a relative shareholder return measure and a capital efficiency measure in a capital-intensive industry is a good selection. The total quantum of 728,265 rights amounts to 75% of fixed remuneration at target and 150% at maximum, which is normal for the group of ASX peers. We support this change of structure and the quantum of the award.

Resolution 5. Remuneration report (For)

As stated above we support the move to a more market normal remuneration framework and therefore will vote for the remuneration report.

The 2026 remuneration structure is as follows:

Fixed remuneration $2.393m

STI comprises 50% cash and 50% restricted shares, paid out in equal portions over 2 years. There are a number of performance hurdles including financial, customer and strategic, which were part of the earlier EVP structure. At target the STI is 100% of fixed remuneration and maximum is 150%, computed using the volume weighted average share price in the ten days prior to the end of June 2025.

LTI award is in the form of performance rights, with two tranches of 50%.

One tranche uses an underlying return on invested capital uROIC measured as an average over the three following years. Payout threshold and range will be revealed retrospectively in each year's Annual Report, but is in line with an aspirational target of 10% by 2030. For comparison, the 2025 uROIC was 8.5%.

The second tranche uses rTSR over four following years, using a peer group of twenty ASX50 companies. Payout threshold is at 50% and maxes out at 75%.

Target LTI award is 150%. Maximum also 150%.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FY2026	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	2.393	28.6	2.393	25
STI - Cash	1.196	14.3	1.795	18.75
STI - Equity	1.196	14.3	1.795	18.75
LTI	3.58	42.8	3.590	37.5
Total	8.367	100.0%	9.553	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration frameworks set a maximum opportunity amount, but not all.

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