

Telstra Corporation Limited Voting Intentions Report 2026

Company/ASX Code	Telstra Corporation Limited/TLS
AGM time and date	9:30am on Tuesday, 13 October 2026
Location	Sofitel Sydney Wentworth
Registry	MUFG
Type of meeting	Hybrid
Monitor	Mike Muntisov assisted by Rachel Waterhouse
Pre-AGM Meeting	Yes with Chairman Craig Dunn, chair of Remuneration Committee Holly Kramer, and IR manager Nathan Burley

Monitor Shareholding: The individual(s) (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	Vote
3a	Re-election of Maxine Brenner	For
3b	Election of Holly Kramer	For
3c	Re-election of Ming Long	For
4a	Grant of FY26 STI restricted share rights to the CEO	For
4b	Grant of FY27 LTI performance rights to the CEO	For
5	Remuneration report	For

2. Summary of Issues and Voting Intentions for AGM

- The key issue is the significant outage that occurred on 8 July 2026 and the implications of the external expert report of the incident.

3. Matters Considered

Accounts and reports

Telstra produced a solid financial result in FY26 with incremental increases in profit, earnings per share and dividend as shown in the following table.

The company completed a \$1.25 billion on-market share buy-back and announced a further buyback of up to \$1 billion to manage its funding and lower its cost of capital.

These initiatives helped improve the underlying return on invested capital (uROIC) to 9.0%.

Financial performance

(As at FYE)	2026	2025	2024	2023	2022
NPAT ¹ (\$m)	2241	2172	1622	1928	1688
UPAT (\$m)					
Share price (\$)	5.08	4.84	3.62	4.30	3.85
Dividend (cents)	21	19	18	17	16
Simple TSR* (%)	9.3	39	(12)	16	25
EPS (cents)	19.9	18.9	14.1	17	16
CEO total remuneration, actual (\$m)	6.838	6.182	4.896	4.391	5.305

¹ Attributable to equity holders. * 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 decommissioned its legacy consumer platform in July 2026, which saw 8.1 million Consumer and Small Business customers migrated to a modern digital platform.

The company build-out of fibre for its next-generation Aura Network grew to over 8,500 kilometres and established four new ready-for-service routes, including Sydney-Perth. Telstra expanded connectivity to remote areas through its Satellite Messaging service, which grew to average around 200,000 daily connections.

The Outage

On 8 July 2026, Telstra experienced a major network outage triggered by a combination of an undocumented network design change and an unapplied software update. The outage caused significant customer disruption, leading Telstra to commission an external expert review to investigate the incident.

The expert review by Technology Audit Partners (TAP), released on 2 September 2026, found the disruption was primarily caused by a failure to treat the Network Time Protocol (NTP) as a critical "Sovereign Function". This led to overarching issues including:

- *Unclear Ownership:* Insufficient ownership of NTP resulted in inadequate risk management, resource prioritisation, and investment.
- *Lack of Expertise:* Telstra exhibited insufficient technical engineering capability for NTP and a lack of curiosity to investigate when something looks wrong.

- **Poor Process Discipline:** Significant weaknesses were identified in execution disciplines, including change management, configuration control, and incident management.

Ultimately, these systemic failures allowed an incorrect date to propagate, causing widespread node failures and network overload.

On the other hand, the report commended Telstra for its Major Incident Management process in managing the complex recovery of the network.

Telstra has publicly accepted all findings from the TAP report, with CEO Vicki Brady acknowledging the outage "should not have happened" and failed to meet customer expectations. To address the failures, Telstra has commenced a company-wide program dedicated to remediation and network resilience. Immediate actions include enhancing monitoring and alarm capabilities, and increasing the lab testing of network changes.

Moving forward, Telstra says it is systematically reviewing its other critical network capabilities (or "sovereign functions"), re-evaluating vendor notification processes, and updating alarm instructions.

The discussion under resolution 5 details the immediate reductions applied to the pay of the CEO and key management personnel as a consequence of the outage. The board has flagged the possibility of applying further pay reductions in FY27 pending their review of the TAP report.

Key board or senior management changes

Holly Kramer was appointed to the Board (see resolution 3b), while Elana Rubin retired after six years on the board.

At the executive level, Telstra formed a new Network, Product and Technology function led by Kim Krogh Andersen, which consolidated the Product & Technology and Global Network & Technology teams and saw the departure of network and technology leader Shailin Sehgal.

The company also established Telstra Digital Infrastructure under Steven Worrall—integrating InfraCo, Telstra International, and Field Services.

AI and Cybersecurity

Telstra is working toward a goal of "top-quartile AI maturity" by 2030 (currently ranked second-quartile). It has added an AI and Cybersecurity measure to this year's remuneration performance criteria.

The company's *Cleaner Pipes* program blocked an average of around 24 million scam calls and 5 million scam SMS texts per month. Telstra also operates a Security Operations Centre (SOC) with real-time threat intelligence.

4. Rationale for Voting Intentions

Resolution 3a. Re-Election of Maxine Brenner (For)

Ms Brenner has been on the board since February 2023. She has a legal and investment banking background. She is currently also a director at Brambles and Woolworths which is an acceptable workload.

She holds around 62,000 Telstra shares which is about the level of her annual director fees and therefore considered sufficient skin-in-the-game.

ASA proposes to support her re-election.

Resolution 3b. Election of Holly Kramer (For)

Ms Kramer was appointed to the board in March 2026 and she is standing for formal election at the AGM. She has business qualifications and senior corporate experience in retail as well as ten years as an executive at Telstra up to 2009. She is currently also a director at ANZ and Fonterra, as well as President of the Commonwealth Remuneration Tribunal and other advisory roles. This is a full but acceptable workload.

Her experience in leading the remuneration committees at ANZ and previously at Woolworths, explains why she has been appointed a Chair of Telstra's remuneration committee.

The ASA proposes to support her election.

Resolution 3c. Re-election of Ming Long (For)

Ms Long was appointed to the board in January 2023. She has qualifications in economics, law and business. Her corporate career was in real estate. She is currently also a director at QBE, IFM Investors and chair of CSIRO. This is a full but acceptable workload. She holds more than one year's worth of Telstra shares.

The ASA proposes supporting her election.

Resolution 4a. Grant of FY 26 STI restricted share rights to the CEO

Refer to Resolution 5 and the Appendix for details.

We propose to support this resolution.

Resolution 4b. Grant of FY 27 LTI performance rights to the CEO.

Refer to Resolution 5 and the Appendix for details.

We propose to support this resolution.

Resolution 5. Remuneration report.

Telstra's remuneration framework meets the key ASA remuneration guidelines. Details of the framework and explanation of terms are provided in the Appendix.

In 2026, the CEO's STI score amounted to 89.8% of maximum. However, because of the significant outage which occurred on 8 July 2026 and was found to be within Telstra's control, the board applied a 20% reduction to her individual performance multiplier which brought her STI score down to 73.6% of maximum, equivalent to a reduction in pay of \$607,000.

Similar reductions were also applied to the STI of other Key Management Personnel.

The LTI outcome was based on the five-year period between 2021 and 2026. The relative TSR performance over the period was 74%ile, resulting in 98% of rights vesting. The 2022 LTI scheme had rTSR as the sole performance measure (see Appendix for current framework).

The board has reserved the right to apply pay adjustments in FY27 pending the outcome of the external expert review of the Outage.

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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	2.5	36	2.5	25
STI - Cash	1.25	18	1.875	18.75
STI - Equity	1.25	18	1.875	18.75
LTI	1.875 ¹	27	3.75	37.5
Total	6.875	100%	10.0	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. ¹ At threshold performance.

The overall remuneration framework is anchored around the amount of fixed remuneration, with incentive opportunities being multiples of the fixed remuneration.

Telstra states that the level of fixed remuneration *“is determined using internal and external market comparisons for roles of similar size and complexity. Our aim is to position Fixed Remuneration around the market median.”*

However, Telstra fails to disclose what “market” is used for determining the median and for determining director fees. In response to ASA questions, Telstra advised that the comparator group for remuneration is the ASX20, which is considered appropriate (Telstra ranks around 11th by market cap). Telstra has undertaken to disclose the comparator group in next year’s Remuneration report.

Telstra’s incentive scheme has changed to the more conventional arrangement of a Short Term Incentive (STI) plus a Long-Term Incentive (LTI), hence the separate resolutions for share and performance rights: Resolutions 4a and 4b.

The Short-Term Incentive (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. At target, the STI is 100% of fixed remuneration and at maximum is 150%, computed using the volume weighted average share price in the ten days prior to the end of June 2026.

The Long-Term Incentive (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 performance targets for uROIC are considered commercially sensitive and will be revealed retrospectively in each year's Annual Report, but is in line with an aspirational target of 10% by 2030 (for reference the FY26 uROIC achieved was 9.0%).

The second tranche uses relative Total Shareholder Return (rTSR) over the four following years, using a disclosed peer group of twenty ASX50 companies that have lower-than-market volatility (a characteristic of Telstra's share price). Payout threshold is at 50% percentile rTSR and maxes out at 75%.

The threshold LTI award amount is 75% of fixed remuneration. Maximum award is 150% of fixed remuneration.