



Company	Telstra Corporation Ltd
Code	TLS
Meeting	AGM
Date	15 October 2019
Venue	Melbourne Convention & Exhibition Centre
Monitor	Sue Shields

Number attendees at meeting	581 shareholders and 41 visitors
Number of holdings represented by ASA	2,174
Value of proxies	\$70.4m
Number of shares represented by ASA	27.5m (equivalent to 10th largest holder in Top 20)
Market capitalisation	\$42.58 billion
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair John Mullen, Chair of Remuneration Committee Perter Hearl and Head of Investor Relations Ross Moffat

History in the making

The chair opened confidently summarising the results and stating that 2019 had been one of the most important in the company's history. A \$3 billion investment program on networks for the future and digitising the business was completed; the migration to the NBN passed the halfway mark and the company made significant headway on the T22 strategy introduced a year ago. Mr Mullen's enthusiasm for the T22 transformation was palpable and he emphasised that it is the most radical and ambitious being undertaken by any telecommunications company in the world today.

Let's hope shareholders reap the benefits as he highlighted operational statistics demonstrating substantial progress on all four pillars of T22 and importantly, flagged a long-awaited turning point in the financial fortunes of the company in the 2020 financial year.

Prompted by another fall in the dividend this year the ASA sought assurances concerning future dividend pay-out ratios and the Chairman assured shareholders that while Telstra had to maintain financial strength and flexibility, the intention was to return to a 70-90% dividend payout.

Looking to the future, Mr Mullen said that Telstra was the first operator in Australia and the world to launch 5G, enabling opportunities in new fields such as the Internet of Things, Cloud Computing, Big Data, Machine Learning and Artificial Intelligence. Also, as many country and

remote residents would be aware he explained how Telstra's mobile coverage is vastly greater than any other mobile network in the country covering 99.5 per cent of the population.

Directors Eelco Blok and Nora Scheinkestel were re-elected with 92% and 97% of the vote respectively while Craig Dunn encountered a protest vote of 30% against.

Mr Dunn touched on how he had learned from his time at Westpac and AMP in his address and in response to a request from the ASA to elaborate, impressed by explaining that like others who have had responsibility in leading and governing in financial services he has reflected very deeply on his learnings.

Mr Dunn explained that he had an increased focus on non-financial risks, to making sure that there are good and different procedures in place for vulnerable customers who often face greater challenges than the broader customer base. Additionally, to make sure there is very good root cause analysis that goes around customer complaints so we can learn from them and improve outcomes for customers. He added that there has to be very clear accountabilities for management in their day to day responsibilities for the organisation.

There was an extensive introduction from the Chair and the allocation of equity incentive to the CEO and the remuneration resolutions passed with 97% and 95% support. Accordingly, the conditional Item 6 for a spill resolution was not put to the AGM.

In the course of the meeting the Chair patiently and comprehensively answered numerous questions ranging through union and employee concerns, global warnings and shareholder concerns about what they perceived as a gap between shareholder wealth and Board and senior management remuneration.