



Company	Telstra
Code	TLS
Meeting	AGM
Date	Tuesday 13 October, 2020
Venue	Online
Monitor	Sue Shields

Number attendees at meeting	340 shareholders and 30 visitors (estimate)
Number of holdings represented by ASA	1077
Value of proxies	\$48.8m (2019 \$70.4m)
Number of shares represented by ASA	17.2m (2019 27.5m)
Market capitalisation	\$33.8B
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes with Chair John Mullen, Chair of the Remuneration Committee Peter Hearl and Head of Investor Relations Ross Moffat.

Telstra AGM rally

The AGM was conducted as a well-planned virtual meeting and the chairman John Mullen opened by summarising what he described as a tumultuous but strong year for Telstra. He said that through all of the unprecedented disruptions including devastating bushfires and Covid-19, TLS was able to operate close to expectations, maintain its dividend and to provide guidance for the year ahead.

Some 80 questions were submitted before the meeting and a large number raised the issue of Telstra's falling share price and dividend. Mr Mullen explained that the board is acutely aware of the importance of the dividend to shareholders and said Telstra is absolutely aspiring to achieve a 2021 Earnings Before Interest Tax Depreciation and Amortisation in the range of \$7.5 to \$8.5 billion to maintain its 16 cents per share dividend. However, he added that if necessary, the company is prepared to temporarily exceed its capital management framework to maintain the 16 cent dividend which sent the telco's share price up nearly four per cent.

Given the shift to virtual under Covid-19 and the fact that TLS did not post out the Notice of Meeting, the ASA raised the issue of shareholder engagement and requested shareholder voting

and proxy figures for 2020 compared to last year. In a somewhat confusing reply Mr Mullen said he didn't think they had seen a great deal of change other than the fact that direct votes fell from around 13,000 last year to 4,000 this year. Surely, that is a significant change!

With respect to Mr Mullen's re-election the ASA pointed out that he has now served more than 12 years on the board, four as chairman and exceeds ASA guidelines for independence and that his time as chairman had seen a significant fall in the share price and dividends. The ASA also noted that Mr Penn had presided over an even greater decline in his five years as Chief Executive Officer and raised the issue of a succession plan for Mr Mullen and Mr Penn.

Mr Mullen was non-committal in response in contrast to his undertaking at the pre-AGM where he said that once the T22 program is delivered in about 18 months Telstra would formally start the succession process for himself and the CEO. Mr Mullen was re-elected with 96% of the vote.

Pre-recorded videos of each of the other directors up for election or re-election were shown and Peter Hearl was re-elected with 99% of the vote, while Bridget Loudon and Elana Rubin were elected with 97% and 99% of the vote respectively.

The Allocation of Equity to the CEO and Remuneration Report passed with a negligible vote against and the resolution for a new constitution passed comfortably.