

14 August 2014

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Office of the Company Secretary

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Corporate Governance Statement and Appendix 4G

Please find attached, in accordance with the Listing Rules, a copy of Telstra's Corporate Governance Statement and completed Appendix 4G, for release to the market.

Yours faithfully



Damien Coleman
Company Secretary

14 August 2014

Office of the Company Secretary

Level 41
242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA

The Manager

Company Announcements Office
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Dear Sir or Madam

Corporate Governance Statement and Appendix 4G

Please find attached, in accordance with Listing Rules 4.7 and 4.10.3, a copy of Telstra's Corporate Governance Statement and completed Appendix 4G, for release to the market.

Yours faithfully



Damien Coleman
Company Secretary

CORPORATE GOVERNANCE STATEMENT

GOVERNANCE AT TELSTRA

We are committed to excellence in corporate governance, transparency and accountability. This is essential for the long term performance and sustainability of our Company, and to protect and enhance the interests of our shareholders and other stakeholders.

Our governance framework plays an integral role in supporting our business and helping us deliver on our strategy. It provides the structure through which our strategy and business objectives are set, our performance is monitored, and the risks we face are managed. It includes a clear framework for decision making and accountability across our business and provides guidance on the standards of behaviour we expect of our people.

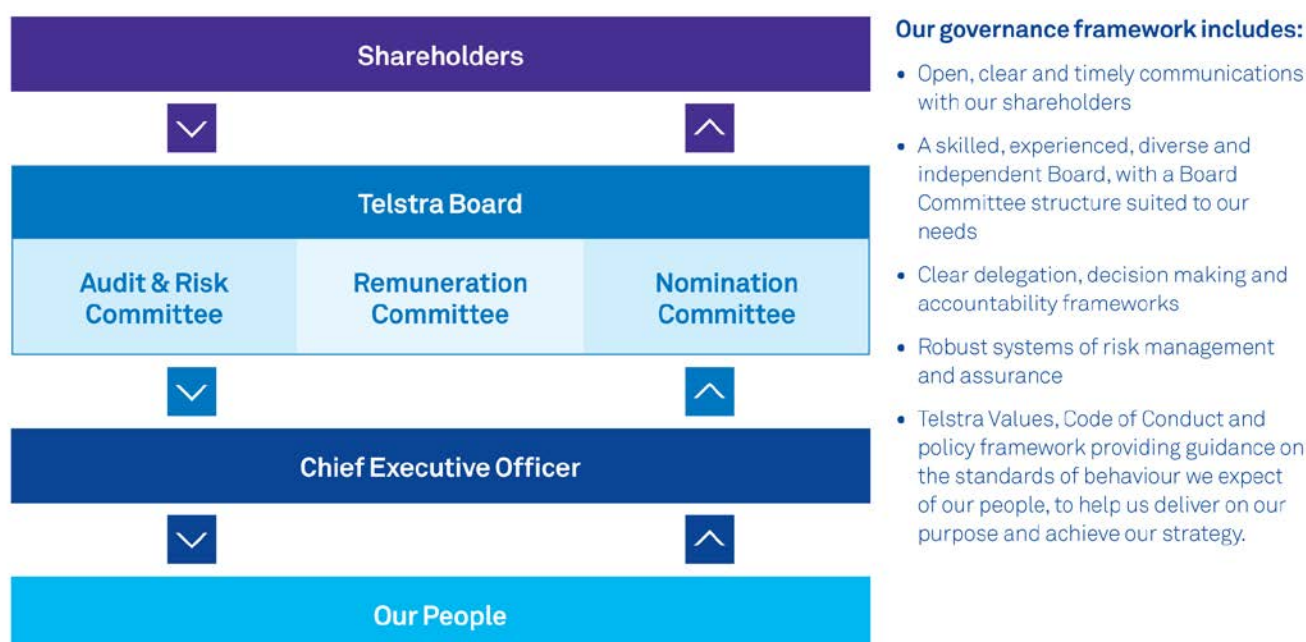
We regularly review our governance arrangements as well as developments in market practice, expectations and regulation.

During FY14, we continued our corporate governance arrangements reflected in our FY13 Corporate Governance Statement which complied with the 2nd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

On 27 March 2014, the ASX Corporate Governance Council released the 3rd Edition of its Corporate Governance Principles and Recommendations (3rd Edition Recommendations). We have reviewed and updated our corporate governance and reporting practices to enable us to early-adopt the 3rd Edition Recommendations. The disclosures in our Corporate Governance Statement reflect this and, as at the date of this statement, we comply with the 3rd Edition Recommendations.

Our ASX Appendix 4G, which is a checklist cross-referencing the 3rd Edition Recommendations to the relevant disclosures in this statement, our 2014 Annual Report and our website (our ASX Appendix 4G), is provided in the corporate governance section of our website at www.telstra.com/governance (governance website). This statement, together with our ASX Appendix 4G, have also both been lodged with the ASX on 14 August 2014.

More information on our governance arrangements, including our Board and Board Committee Charters and key policies, can also be found on our governance website.



1. ENGAGING WITH OUR SHAREHOLDERS

We are committed to open, clear and timely communications with our shareholders and investors about matters affecting the value of their investment in Telstra. We also recognise the importance of meeting our continuous disclosure and other legal obligations to the market.

We value a direct, two-way dialogue with our shareholders and investors, and believe it is important not only to provide relevant information as quickly and efficiently as possible, but also to listen to and understand their perspectives and respond to their feedback.

We have implemented an investor relations program to promote effective communication with our shareholders and investors, and to encourage participation at our shareholder meetings. Some of the specific initiatives we have put in place include:

- webcasting important events such as our financial results briefings, our annual general meeting and other investor events discussing the performance and strategy for different parts of our business
- hosting, around Australia, a series of retail shareholder information briefings with the CEO and/or CFO prior to our AGM
- encouraging shareholders to send in questions to us prior to the AGM and responding to questions raised by shareholders. We also encourage shareholders to communicate with us and our share registry electronically, and
- maintaining our Investor Relations website and placing on this website all announcements made to the market, including transcripts of investor briefings and related information after this information has been released to the ASX.

2. THE BOARD OF DIRECTORS

2.1. The Board

The Board is responsible for managing Telstra's business, and is accountable to shareholders in performing that role. In addition to the matters that the Board is required by law to approve, the key responsibilities of the Board include:

- approving our strategy and corporate plan and monitoring the implementation of our strategy and performance against the corporate plan
- appointing and assessing the performance of the CEO and determining his remuneration, as well as approving the appointment and remuneration of members of senior management and overseeing their performance
- overseeing our financial position and approving decisions concerning our capital management, including share buy backs and dividends
- overseeing our external audit activities and monitoring our internal audit activities and internal control and reporting systems
- overseeing our risk management framework in respect of our material business risks and other operational risks
- monitoring and influencing our culture, reputation, ethical standards and legal compliance, and overseeing our corporate governance framework (including approving Telstra's corporate governance statement)
- overseeing, and monitoring the effectiveness of, our sustainability strategy
- monitoring our work health and safety performance, including oversight of our work health and safety framework
- overseeing shareholder reporting and communications and the process for complying with our continuous disclosure obligations
- approving our overall remuneration framework, and
- approving our diversity policies and setting our measurable objectives for diversity.

The Board has adopted a Board Charter that details its role and responsibilities (which can be found on our governance website).

The CEO, together with the senior management team, is responsible to the Board for the development and implementation of our strategy and the overall management and performance of our Company. The Board has delegated to the CEO responsibility for day-to-day management of Telstra. A formal delegations structure is in place which sets out the powers delegated to the CEO and those specifically retained by the Board (such as certain matters relating to significant expenditure and acquisition and divestment

transactions in excess of discretionary limits delegated to the CEO, material variations to our annual corporate plan and matters expressly reserved to the Board or one of its Committees). This is complemented by a formal structure setting out the delegations from the CEO to our employees.

2.2. Our Chairman

Our Chairman must be an independent Director appointed by the Board and the role of Chairman and CEO cannot be fulfilled by the same person. Our Chairman, Catherine Livingstone, is an independent non-executive Director. She has been a Director of Telstra since 2000 and was elected Chairman in 2009. The Chairman's overarching responsibilities are to provide appropriate leadership to the Board and Telstra and to ensure that the Board fulfils its obligations under its Charter. The Chairman's responsibilities are set out in more detail in the Board Charter.

2.3. Board Composition and Director Appointment

Matters relating to Board (and Board Committee) composition are considered by the Board and Nomination Committee in accordance with the framework set out in the Nomination Committee Charter and through processes implemented by the Board.

The Board actively seeks to ensure that it has an appropriate mix of diversity (including gender diversity), skills, experience and expertise to enable it to discharge its responsibilities effectively and to be well equipped to help our Company navigate the range of opportunities and challenges we face.

Diversity includes differences that relate to gender, age and cultural background, as well as differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem solving skills.

To assist in identifying areas of focus and maintaining an appropriate and diverse mix in its membership, the Board utilises a skills matrix which is reviewed by the Board on a regular basis. It is an important, but not the only, basis of criteria applying to director appointments.

Our Board Skills Matrix sets out the mix of skills, experience and expertise that the Board currently has and is looking to achieve in its membership. Its structure reflects the various areas particularly relevant to the three pillars of our strategy (Improve customer advocacy, Drive value from the core and Build new growth businesses), as well as other areas of general relevance to the composition of our Board. The areas addressed in the matrix are as follows:

Strategic Priorities/Areas	Skills Matrix		
<i>Improve customer advocacy</i> <i>Drive value from the core</i> <i>Build new growth businesses</i>	- Marketing, Retail, Sales, Distribution - General, Business Management & Entrepreneurship - Highly Competitive & Dynamic Markets - China & Asia - Other Geographical Expertise and Experience	- Telecommunications - Engineering & Networks - Information and Technology - Innovation, Science & Technology - High technology & Research Intensive - Health Industry & Medical - Multimedia	- Regulated Utilities & Infrastructure - Construction, Building & Property - Government, Government Relations & Policy
Other Areas	- CEO Level Experience - Other NED Experience	- Accounting, Finance & Audit - Banking, Treasury & Capital Markets	- Legal, Governance & Compliance - Risk Management - Labour Relations, Human Resources & Remuneration

Each of these areas is currently well represented on the Board. The Board benefits from the combination of Directors' individual skills, experience and expertise in particular areas, as well as the varying perspectives and insights that arise from the interaction of Directors with diverse backgrounds.

The Board's measurable objective about Board diversity is that there will be at least three women on the Board, representing a female gender representation among non-executive Directors of at least 30 per cent. As at 30 June 2014, there were three female Directors on the Board (including the Chairman of the Board), representing a female gender representation among non-executive Directors of 33 per cent.

The Board has a number of initiatives in place to meet its strategic imperative of ensuring that the Company has a diverse Board and to achieve its Board diversity measurable objective. These initiatives include ensuring a diverse range of qualified candidates is considered for Board appointments, developing a pipeline of potential Board candidates, and participating in programs to assist in the development of a broader pool of skilled and experienced Board candidates, including support for the Australian Institute of Company Directors (AICD) Chairmen's Mentoring Program.

Our process for the selection, nomination and appointment of Directors involves a formal selection process undertaken by the Board, and an executive search firm is generally engaged to assist in the process. As part of this process, the Board establishes criteria about the general qualifications and experience, as well as the specific qualifications, that a candidate should possess. We also undertake appropriate checks on any potential candidates before a person is appointed by the Board or put forward to shareholders as a candidate for election as a Director. We also provide shareholders with all material information in our possession that is relevant to a decision on whether to elect or re-elect a Director in our AGM Notice of Meeting.

We provide formal letters to all new Directors (as well as senior management) setting out the key terms and conditions of their appointment. Any new Director appointed by the Board during the year is required to stand for election at the next Annual General Meeting (AGM).

There are currently ten Directors on the Board, comprising nine non-executive Directors and the CEO. Details of the Directors, including their qualifications and experience, together with details of their length of service, can be found in the Board of Directors section of our 2014 Annual Report.

During FY14, one new non-executive Director, Mr Chin Hu Lim, was appointed to the Board. The Board determined that it would benefit from additional deep experience in Asia, and in network applications. Following an extensive formal search process (which included the use of an executive search firm), Mr Lim was identified as a candidate with the required skills and experience. He was appointed to the Board in August 2013 and was elected by shareholders at our 2013 AGM.

2.4. Director Induction Training and Continuing Education

All new Directors participate in a formal induction process co-ordinated by the Company Secretary. This induction process includes briefings on our strategy, financial, operational and risk management matters, our governance framework (including key policies), our culture and values and key developments in our Company and the sectors and environments in which we operate.

We also have in place a continuing education program for Directors that is part of the annual Board cycle. Specific sessions are scheduled around Board meeting dates and we provide other appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. During the year, our program included visits to overseas operations and meetings with industry experts, local stakeholders and our customers, as well as attendance at relevant industry conferences.

2.5. Board Tenure

In accordance with the ASX Listing Rules, we hold an election of Directors at our AGM each year. Directors stand for election or re-election in accordance with the process set out in our Constitution. No non-executive Director may hold office for more than three years, or beyond the third AGM following their appointment, whichever is the later, without re-election. If no Director would otherwise be required by our Constitution to submit for election or re-election then, in accordance with the procedure specified in our Constitution, any non-executive Director who wishes to retire and offer himself or herself for re-election may stand, otherwise the non-executive Director who has been longest in office since their last election or appointment is required to retire and stand for re-election. As the tenure of the CEO as a Director is linked to his or her executive office, the CEO is not required to stand for re-election through this process.

A recommendation to re-elect a Director at the end of their term is not automatic. Before each AGM, the Board determines if it will recommend that shareholders vote in favour of the re-election of the Directors standing for re-election. This decision is made by the Board, having regard to the outcome of the annual Board performance review and any other matters it considers relevant.

In recognition of the importance of Board renewal and succession planning, the Board has adopted the following principles in relation to Board and Board Committee tenure:

- Director Positions - where a non-executive Director is approaching the end of his/her third 3-year term, a more formal review of his/her continuing directorship should take place, taking into account broader Board renewal and Board composition considerations and the requirements of the Telstra Corporation Act
- Board Committee Chair Positions - the maximum term for a non-executive Director to hold the position of Chairman of a Board Committee is generally 5 years, and
- Board Committee Membership - Committee membership should rotate every 3-5 years, subject to considerations of Committee succession planning and the overall composition/skills/experience of the Committee.

The Board also considers the length of service of each non-executive Director as part of its assessment of Director independence.

2.6. Director Independence

The Board recognises the important contribution that independent Directors make to good corporate governance. All Directors, whether independent or not, are required to act in the best interests of Telstra and to exercise unfettered and independent judgment. The Board intends that the CEO is the only executive Director and that all non-executive Directors are also independent Directors.

The Board assesses, at least annually, the independence of each non-executive Director. We consider that an independent Director is a non-executive Director who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of his or her unfettered and independent judgement and ability to act in Telstra's best interests.

When assessing the independence of a Director, the Board considers the matters potentially affecting the independent status of a director as described in Box 2.3 of the 3rd Edition Recommendations. Materiality is assessed on a case-by-case basis from the perspective of both Telstra and the relevant Director, and consideration is given to both qualitative and quantitative factors.

The Board may determine that a Director is independent notwithstanding the existence of an interest, position, association or relationship of the kind described in Box 2.3. However, in such a case, the Board will disclose the reasons for making its determination.

If at any time during the year a Director ceases or may have ceased to be independent, they are required to advise the Chairman immediately. Where the Board determines that a Director is no longer independent, Telstra will make an announcement to the market.

With the exception of the CEO, all Directors are non-executive Directors and have been determined by the Board to be independent. During FY14, no non-executive Director had any interest, position, association or relationship that could materially interfere with, or be perceived to materially interfere with, his or her unfettered and independent judgement and ability to act in Telstra's best interests. As part of its independence assessment, the Board considered the length of service of each non-executive Director on the Board and concluded that no Director had been a Director of Telstra for such a period that their independence may have been compromised.

2.7. Conflicts of Interests

In accordance with the requirements of the Corporations Act and our Constitution, Directors must declare any conflict of interest they may have, and must follow the procedures set out in our Directors' Interests Policy including, in certain circumstances, abstaining from participating in any discussion or voting on matters in which they have a material personal interest.

2.8. Review of Board and Director Performance

The Board reviews its performance annually, as well as the performance of individual Committees and individual Directors (including the performance of the Chairman as Chairman of the Board).

These performance reviews are conducted both internally and, on a periodic basis, externally with the assistance of a facilitator. The FY14 review of Board, Committee and Director performance was conducted internally, led by the Chairman. The process comprised:

- (a) a whole of Board discussion in relation to what currently works well and areas for improvement
- (b) one-on-one review meetings between our Chairman and each Director, as well as certain members of senior management, and
- (c) a review of the Chairman's performance which was facilitated by the Chairman of the Audit & Risk Committee.

The review included consideration of matters relating to strategic settings, the Board's agenda, papers and presentations, Board meeting processes and protocols and the relationship with management, and the overall conclusion was that the Board continues to work well and to improve.

Reviews were also undertaken by each standing Board Committee in respect of their performance during FY14.

The findings and recommendations of the reviews were provided to the Board.

The Board reviews the performance of the CEO annually against agreed performance measures and other relevant factors. The CEO undertakes a similar exercise in relation to the senior executives. The outcomes of the CEO's annual review of senior executive performance and remuneration are reviewed and subject to Board approval. Details of the outcomes of the FY14 performance evaluations for the CEO and senior executives are set out in the Remuneration Report (which forms part of our Directors' Report) in our 2014 Annual Report.

2.9. Board Access to Management and Independent Professional Advice

Directors have complete access to our senior management through the Chairman, CEO or Company Secretary at any time. In addition to regular presentations by senior management at Board meetings, Directors may seek briefings from senior management on specific matters.

The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the ability to retain, at Telstra's expense, such legal, accounting or other advisers, consultants or experts as it considers necessary from time to time in the performance of its duties. All Committees of the Board have access to independent professional advice on this basis. In certain circumstances, each Director has the right to seek independent professional advice at Telstra's expense within specified limits.

2.10. Company Secretary

The Company Secretary reports directly to the Board through the Chairman, and all Directors have access to the Company Secretary. The Company Secretary's role in respect of matters relating to the proper functioning of the Board includes advising the Board and its Committees on governance matters, monitoring that Board and Committee policies and procedures are followed, coordinating all Board business, providing a point of reference for dealings between the Board and management, retaining independent professional advisors at the request of the Board, Board Committee or as permitted under the Board Charter and helping to organise and facilitate the induction and professional development of Directors.

3. BOARD COMMITTEES

As at the date of this statement (and for all of FY14), the following three standing Committees assist the Board in carrying out its responsibilities:

- Audit & Risk Committee¹,
- Remuneration Committee, and
- Nomination Committee.

An overview of the roles and responsibilities, composition, and membership as at 30 June 2014, of our three standing Committees is provided below.

	Audit & Risk Committee	Remuneration Committee	Nomination Committee
Roles and Responsibilities	The Audit & Risk Committee (A&RC): • monitors and advises on matters relating to financial reporting, risk management, compliance, external audit, internal control, internal audit, corporate governance and matters that may significantly impact the financial condition or affairs of the business • oversees Telstra's compliance with its Structural Separation Undertaking (SSU) and the activities of the Director of Equivalence • provides a forum for communication between the Board, management and both the internal and external auditors, and • provides a conduit to the Board for external advice on audit, risk management and compliance matters.	The Remuneration Committee monitors and advises on matters relating to: • remuneration of the Board, CEO and Company Secretary • performance and remuneration of senior management • remuneration strategies, practices and disclosures generally (including non-routine remuneration arrangements) • work health and safety • diversity (excluding Board diversity) • employee equity plans, and • management succession, capability and talent development. The Committee also exercises the administrative powers delegated to it by the Board under Telstra's equity plans.	The Nomination Committee monitors and advises on matters relating to: • composition and performance of the Board, including Board diversity • Director independence • appointment of the CEO and succession planning for this role • CEO and Company Secretary performance, and • outside directorship requests from executives in relation to publicly listed companies or managers of listed managed investment schemes.
Composition	Composition requirements include: • there must be at least three independent non-executive Directors on the Committee • the members shall, between them, have sufficient accounting and financial knowledge to allow them to discharge their duties and actively challenge information presented by management, internal and external auditors • the Chairman must be an independent Director who is not Chairman of the Board. Our A&RC structure complies with the ASX Listing Rules.	Composition requirements include: • there must be at least three independent non-executive Directors on the Committee, including the Chairman of the Board, and • each member is expected to be familiar with the legal and regulatory disclosure requirements in relation to remuneration and have adequate knowledge of executive remuneration issues, including executive retention and termination policies, and short term and long term incentive arrangements. Our Remuneration Committee structure complies with the ASX Listing Rules.	Composition requirements include there must be at least three independent non-executive Directors on the Committee, including the Chairman of the Board.

¹ The Audit Committee changed its name to the Audit and Risk Committee in October 2013.

Membership as at 30 June 2014	Nora Scheinkestel (Chairman) Catherine Livingstone Russell Higgins Margaret Seale	John Mullen (Chairman) Catherine Livingstone Geoffrey Cousins Steven Vamos	Catherine Livingstone (Chairman) Geoffrey Cousins John Mullen Steven Vamos
Consultation	- Other members of the Board may attend A&RC meetings and the A&RC may invite management, the external auditor and others to attend meetings as it considers necessary or appropriate. - The A&RC meets with the internal auditor and the external auditor in the absence of management.	- Other members of the Board may attend Remuneration Committee meetings. The Remuneration Committee may also invite other people, including any Telstra employees, to attend all or part of its meetings provided that the person is not present for consideration of any item in which they have a material personal interest. This ensures that no senior executive is directly involved in deciding their own remuneration. - The Remuneration Committee obtains external advice from independent remuneration consultants in determining Telstra's remuneration practices where considered appropriate.	Other members of the Board may attend Nomination Committee meetings, which are generally scheduled to co-incide with Board meetings to enable all Board members to attend. The Nomination Committee can also invite other people, including any Telstra employees, to attend all or part of its meetings provided that the person is not present for consideration of any item in which they have a material personal interest.

Each Committee operates in accordance with a written Charter approved by the Board, which can be found on our governance website. The role, Charter, performance and membership of each Committee are reviewed each year.

Only independent, non-executive Directors can serve on our three standing Board Committees. The Board appoints the members and the Chairman of each Committee. In addition to the membership requirements applying to each Committee as set out in its Charter, each Committee member must have the capacity to devote the required time and attention to prepare for, and attend, Committee meetings. Following each Committee meeting, the Board receives a report from that Committee on its deliberations, conclusions and recommendations.

Details of the number of meetings held by the Board and its Committees during FY14, and attendance by Board members, can be found in the Directors' Report of our 2014 Annual Report. Information on the relevant qualifications and experience of Committee members can also be found in the Board of Directors section of our 2014 Annual Report.

The Board also establishes ad hoc committees from time to time to support the Board in carrying out its responsibilities.

4. ASSURANCE AND RISK MANAGEMENT

4.1 External Auditor

Our external auditor, Ernst & Young (EY), was appointed by shareholders at the 2007 AGM. During FY13, the Board, on the recommendation of the Audit & Risk Committee, extended EY's appointment as auditor for a further two year period until the end of FY15.

In accordance with the Corporations Act 2001, the lead EY partner on the audit is required to rotate at the completion of a five year term. A rotation occurred after our FY11 half-year accounts were signed as the lead partner retired from EY. The Board undertook a process with EY and agreed upon the new lead partner.

The Audit & Risk Committee oversees our relationship with EY, including:

- reviewing and assessing the performance, independence and objectivity of EY
- monitoring management's adherence to our policy on audit and non-audit services provided by EY
- reviewing and agreeing on the terms of engagement and fees for EY, and
- reviewing EY's proposed annual audit scope and audit approach, including materiality levels.

During FY14, the Audit & Risk Committee was provided with regular formal, written reports detailing the nature and amount of any non-audit services rendered by EY and an explanation of how the provision of those non-audit services is compatible with auditor independence. Details of amounts paid or payable to EY for non-audit services provided during the year are disclosed in Note 8 to our Financial Statements in our 2014 Annual Report.

The EY engagement partner for the Telstra audit attends our AGM and is available to answer shareholder questions about the conduct of our audit and the preparation and content of the auditor's report.

4.2 Internal Audit

Our internal audit activities are undertaken by Group Internal Audit, Telstra's dedicated internal audit function. The role of Group Internal Audit is to provide the Board and management with independent and objective assurance on the effectiveness of our governance, risk management and internal control processes. To maintain the necessary independence it needs to carry out its role, Group Internal Audit has no direct operational responsibility or authority over any of our business or risk management activities.

Functional responsibility for Group Internal Audit resides with the Director Group Internal Audit, whose appointment is approved by the Board. The Director Group Internal Audit reports to the Audit & Risk Committee and the CFO. Group Internal Audit has full and unrestricted access to all of our information systems, records, physical properties and employees in order to carry out its activities. The work of Group Internal Audit is guided by The International Professional Practices Framework provided by the Institute of Internal Auditors. The Audit & Risk Committee monitors Group Internal Audit's activities and performance, including its independence.

4.3 Management Reporting on Risk

We discuss our material business risks (including any material exposure to economic, environmental or social sustainability risks that Telstra has) and how we manage them, as well as our risk management framework, in the Strategy and Performance (Managing Our Risks) section of our 2014 Annual Report.

In connection with our financial statements for the financial year ended 30 June 2014, and the half-year ended 31 December 2013, our CEO and CFO have provided the Board with declarations that:

- in their opinion, the financial records of Telstra have been properly maintained; and
- in their opinion, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Telstra; and
- their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively (as described in the 3rd Edition and 2nd Edition (respectively) of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations).

5. ACTING ETHICALLY AND RESPONSIBLY

Our Purpose	Why we exist
Our Values	What we stand for/How we do things
Our Strategy	Where we are going/What we are going to do

Our purpose is to create a brilliant connected future for everyone. Our Telstra Values, together with our Telstra Group Code of Conduct and policy framework, define the standards of behaviour we expect of our people and will help us deliver on our purpose and achieve our strategy.

5.1 Our Telstra Values

At Telstra, we have five core values.

1. Show you care
2. Better together
3. Trust each other to deliver
4. Make the complex simple
5. Find your courage

Our values express what we stand for and guide the way we do things. Our values are core to our business and we align everything we do with them.

5.2 Our Code of Conduct and Policy Framework

Our Code of Conduct and policy framework underpin our Telstra Values. Together they set out, in more detail, the standards of behaviour we expect of our people. They define our commitment to good corporate governance, responsible business practice, our customers, our workforce, the communities in which we operate and the environment. They also provide the structure through which we maintain compliance with our legal obligations.

Our governance framework includes elements that address the following key areas, which are central to how we promote ethical and responsible behaviour:

Our People and Our Community	Health and Safety – recognising our commitment to the health, safety and wellbeing of our staff, contractors and community. This highlights the importance of workplace health and safety and sets out the priority, accountability, measurement and our commitment to compliance for health and safety at Telstra. More information about health and safety at Telstra can be found in our 2014 Annual Report.
	Diversity – setting out our strategy and principles in relation to diversity. This provides the framework for the establishment of our diversity measurable objectives, and monitoring and reporting on diversity matters across Telstra. Information about Diversity at Telstra can be found in the Sustainability (Our people) section of our 2014 Annual Report.
	Discrimination and Bullying – aiming to ensure that we have a workplace free of all forms of unlawful discrimination, harassment, bullying and victimisation.
	Sustainability – seeking to manage our business to produce an overall positive impact on our customers, employees, shareholders, the wider community and other stakeholders, while minimising our environmental impacts. Information about our approach to sustainability can be found in the Sustainability section of our 2014 Annual Report and on our website at www.telstra.com/sustainability . We make donations and contribute funds to community and non-profit organisations as part of our approach to community investment and sustainability. We do not make political donations. However, in line with other major publicly listed companies, we do pay fees to attend events organised by political parties where those events allow for discussion on major policy issues with key opinion leaders and policy makers.
Our Customers	Privacy - setting out our commitment to the protection of our customers' personal information. This outlines how we protect customer personal information, how and why we collect it, how we may use and disclose it, how we keep it secure and accurate, and how

	customers may access their personal information. Further information on Privacy at Telstra is provided in the Sustainability (Customer experience) section of our 2014 Annual Report and on our website at www.telstra.com.au/privacy/ (including our Privacy Statement).
Good corporate governance and responsible business practice	Anti-Bribery and Anti-Corruption – aiming to ensure that we comply with applicable anti-bribery and anti-corruption laws. We also seek to ensure that gifts, prizes and hospitality are not accepted in inappropriate circumstances, including where acceptance may (or may be perceived to) compromise independence or be construed as a bribe.
	Conflicts of Interest and Outside Activities – assisting our employees and contractors to understand what we consider to be a conflict of interest and how to avoid actual, potential or apparent conflicts of interest.
	Whistleblowing – providing an avenue for anyone to report suspected unethical, illegal or improper behaviour. Our whistleblowing process is supported by an independent service provider and all disclosures are treated confidentially and can be made anonymously. Our Group Whistleblowing Committee monitors disclosures, investigations, recommendations and the implementation of actions, and our Audit & Risk Committee oversees the whistleblowing process.
	Securities Trading – setting out the rules and restrictions relating to buying, selling and otherwise dealing in Telstra securities by our Directors, CEO, senior management, specified other employees and their closely related parties (Designated Persons), through a trading windows approach. Designated Persons are also prohibited from using Telstra securities as collateral in financial transactions (including margin loan arrangements), and engaging in stock lending arrangements and short term trading in respect of our securities, as well as entering into certain hedging arrangements which effectively operate to limit the economic risk of their security holdings allocated under our equity plans.
	Market Disclosure - outlining responsibilities and the process for the approval of our ASX announcements, including where Board approval is required in respect of announcements that relate to certain significant matters, as well as the role of our CEO, CFO and Continuous Disclosure Committee in relation to disclosure matters. We aim to ensure that we provide our shareholders, investors and the financial community with appropriate and timely information while ensuring that we fulfil our statutory reporting obligations under the Corporations Act and the ASX Listing Rules. Our market disclosure policies and practices are reviewed and updated on a regular basis.
	Telstra's 3Rs of Social Media Engagement (Representation, Responsibility and Respect) – providing guidance to employees and contractors who use social media, either as part of their job or in a personal capacity, about our expectations when they talk online about us, our products and services, our people, our competitors and/or other business related individuals or organisations.
	Structural Separation Undertaking – reflecting our commitment to compliance with the Structural Separation Undertaking (SSU). The SSU includes our undertaking to structurally separate over time through migrating voice and broadband customers from Telstra's copper and HFC networks to the National Broadband Network, and to delivering increased transparency as well as equivalence in the supply of regulated fixed network services to our wholesale customers. Our commitments under the SSU include the requirement to self-report potential breaches of the SSU to the ACCC each month, and to report annually to the ACCC on our compliance, including details of any new or additional measures that have been undertaken by us to ensure compliance. The ACCC reports annually to the Minister for Communications on our compliance with the SSU.

Additional information about our governance framework (including our Code of Conduct, Securities Trading and Diversity policies and a summary of our Market Disclosure policies) can be found in the governance section of our website.

6. OUR REMUNERATION FRAMEWORK

Information about our remuneration framework and policies can be found in our Remuneration Report which forms part of our Directors' Report in our 2014 Annual Report.

7. DIVERSITY AND INCLUSION AT TELSTRA

Information about diversity and inclusion at Telstra, including our measurable objectives and the respective proportions of men and women across Telstra, can be found in the Sustainability (Our people) section of our 2014 Annual Report. Information about Board diversity is also provided in section 2.3 (Board Composition and Director Appointment) of this Corporate Governance Statement.

Approved by the Board of Telstra Corporation Limited on 14 August 2014.

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Telstra Corporation Limited

ABN/ARBN

33051775556

Financial year ended

30 June 2014

Our corporate governance statement² for the above period above can be found at:³

☐ these pages of our annual report: _____

☒ this URL on our website: www.telstra.com/governance

The Corporate Governance Statement is accurate and up to date as at 14 August 2014 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date here: 14 August 2014

Sign here: 
Company Secretary

Print name: Damien Coleman

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☒ in our Corporate Governance Statement ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☒ at this location: 1.2(a): Corporate Governance Statement. 1.2(b): All material information relevant to a decision on whether or not to elect or re-elect a director is found in Telstra's AGM Notice of Meeting.	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement OR ☒ at this location: The fact that Telstra has diversity policies is noted in the Corporate Governance Statement. What is included in Telstra's diversity policies can be found in those policies which are located at www.telstra.com/governance (Documents and Charters section). ... and a copy of our diversity policy or a summary of it: ☒ at this location: www.telstra.com/governance (Documents and Charters section). ... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☐ in our Corporate Governance Statement OR ☒ at this location: 'Sustainability (Our people)' section of the Telstra 2014 Annual Report. ... and the information referred to in paragraphs (c)(1) or (2): ☐ in our Corporate Governance Statement OR ☒ at this location:	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		'Sustainability (Our people)' section of the Telstra 2014 Annual Report.	
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☒ at this location: Details of the outcomes of the FY14 performance evaluations for the CEO and senior executives can be found in the Remuneration Report in Telstra's 2014 Annual Report. ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☒ at this location: Details of the outcomes of the FY14 performance evaluations for the CEO and senior executives can be found in the Remuneration Report in Telstra's 2014 Annual Report.	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
2.1 The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <u>OR</u> (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i> ... and a copy of the charter of the committee: ☒ at this location: www.telstra.com/governance (Documents and Charters section). ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement <u>OR</u> ☒ at this location: 2.1(a)(4): Corporate Governance Statement. 2.1(a)(5): 'Directors' Report' section of the Telstra 2014 Annual Report. [If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement OR ☒ at this location: ‘Board of Directors’ and ‘Governance at Telstra’ sections of the Telstra 2014 Annual Report. ... where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i> ... the length of service of each director: ☐ in our Corporate Governance Statement OR ☒ at this location: ‘Board of Directors’ section of the Telstra 2014 Annual Report.	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
<u>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</u>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ☐ in our Corporate Governance Statement OR ☒ at this location: www.telstra.com/governance (Documents and Charters section).	☐ an explanation why that is so in our Corporate Governance Statement
<u>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</u>			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at this location: <i>Insert location here</i> ... and a copy of the charter of the committee: ☒ at this location: www.telstra.com/governance (Documents and Charters section). ... and the information referred to in paragraphs (4) and (5):	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	meetings; OR (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	☐ in our Corporate Governance Statement OR ☒ at this location: 4.1(a)(4): 'Board of Directors' section of the Telstra 2014 Annual Report. 4.1(a)(5): 'Directors' Report' section of the Telstra 2014 Annual Report. [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ☐ in our Corporate Governance Statement OR ☒ at this location: www.telstra.com/governance (Documents and Charters section).	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ☒ at this location: www.telstra.com/governance (Documents and Charters section).	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i> ... and a copy of the charter of the committee: ☒ at this location: www.telstra.com/governance (Documents and Charters section). ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☒ at this location: 7.1(a)(4): Corporate Governance Statement. 7.1(a)(5): 'Directors' Report' section of the Telstra 2014 Annual Report. [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☒ at this location: 'Strategy and Performance (Managing our risks)' section of the Telstra 2014 Annual Report.	☐ an explanation why that is so in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; OR (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☐ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☐ in our Corporate Governance Statement OR ☒ at this location: 'Strategy and Performance (Managing our risks)' section of the Telstra 2014 Annual Report.	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which:	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):	☐ an explanation why that is so in our Corporate Governance Statement OR

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
(1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i> ... and a copy of the charter of the committee: ☒ at this location: www.telstra.com/governance (Documents and Charters section). ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☒ at this location: 8.1(a)(4): Corporate Governance Statement. 8.1(a)(5): 'Directors' Report' section of the Telstra 2014 Annual Report. [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☐ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: 'Remuneration Report' section of the Telstra 2014 Annual Report.	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: www.telstra.com/governance (Documents and Charters section – Securities Trading Policy).	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
<u>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</u>			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement