

Remuneration Report

Glossary and abbreviations used in report

Average Investment for LTI	Average investment over the period is the average of the sum of net debt and shareholders' funds over the entire three year performance period.
Customer Satisfaction	A non financial measure in Telstra's STI plans. Refer to section 3.2.2 for further information.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EBITDA for STI	Earnings Before Interest, Tax, Depreciation and Amortisation (excluding profit/loss on Land & Building disposals).
Fixed Remuneration	Base salary plus company and private salary sacrificed superannuation contributions
Free Cashflow (FCF)	Cashflow from operating and investing activities
Free Cashflow for STI	Free Cashflow (excluding CAPEX for Investment and Spectrum; and proceeds from Land & Building disposals)
FCF for LTI	FCF for these purposes is annual free cash flow less interest paid and adjusting for non-recurring factors such as acquisitions and gains on the sale of assets.
FCF ROI for LTI	A ratio of the average annual free cashflow over the entire three year performance period by Telstra's average investment over the same period.
GMD	Group Managing Director
Growthshare	A wholly owned entity of Telstra that administers employee equity plans
KMP	Key Management Personnel
LTI	Long Term Incentive
NBN	National Broadband Network
NBN Transaction	Agreements with NBN Co and the Government in relation to Telstra's participation in the rollout of the NBN.
Restricted Shares	A right to a share subject to the achievement of the performance hurdle
RTSR	Relative Total Shareholder Return
Senior Executive	Refers to the Chief Executive Officer and those executives with authority and responsibility for planning, directing and controlling the activities of the Company and Group, directly or indirectly
Service Agreement	a Senior Executive's contract of employment
STI	Short Term Incentive
STI Deferral	A program that requires executives to defer part of their cash incentive into shares
Straightline Vesting	Describes the vesting calculation between target and stretch of an LTI plan
SSU	Structural Separation Undertaking
Total Fixed Remuneration	Identical to Fixed Remuneration – specifically defined this way in the CEO's contract.
Total Remuneration	The sum of all the fixed and variable components of remuneration as detailed in Table 5.1
Total Income	Total Telstra Income excluding profit/loss on Land & Building disposals