



## Telstra Corporation Limited and Telstra Limited's response to ACCC's requests for clarification dated 17 and 22 June 2022

Please advise under what circumstances and in what timeframes shareholders, potential investors and third parties will be able to hold shares directly in ServeCo and InfraCo Fixed post-restructure.

By way of clarification, under the Scheme, current Telstra shareholders will exchange their existing shares in Telstra Corporation Limited for shares in New Telstra Corp (which will replace Telstra Corporation Limited as the publicly listed head entity of the Telstra Group). They will not acquire a direct interest in InfraCo Fixed or ServeCo, and InfraCo Fixed and ServeCo will not be listed entities on the ASX.

In future, current Telstra shareholders and other investors may be able to acquire shares in InfraCo Fixed and/or ServeCo if New Telstra Corp were to undertake certain types of transactions involving those entities following the Corporate Restructure [REDACTED]

[REDACTED]. The legal separation of InfraCo Fixed from ServeCo occurring through the Corporate Restructure will make it easier for New Telstra Corp to undertake transactions of this nature. The ability to invest directly in InfraCo Fixed and/or ServeCo (as opposed to in the Telstra Group as a whole) should these transactions occur is likely to be beneficial to investors who are attracted to the respective risk and return profiles of the entities. However, as previously noted, the Scheme itself does not involve disposing of any interest in InfraCo Fixed and/or ServeCo or their assets outside the Telstra Group and no decisions have been made by Telstra's management regarding any plans for potential future transactions involving InfraCo Fixed or ServeCo.

The application seeks authorisation for 'related entities' (as defined in the Implementation and Interpretation Deed) rather than using 'related bodies corporate'. Please clarify whether the Applicants are intending that the authorisation extends to parties such as potential future acquirers of ServeCo or InfraCo Fixed (whether or not they are also subject to a section 50 merger review)?

As set out in the Application (see para 2.2 and the associated footnote 4), the parties are seeking authorisation for:

- related bodies corporate within the meaning of section 4A of the CCA; and
- entities within the meaning of Related Entity in the Implementation and Interpretation Deed (IID).

The reasons for this are set out in detail in Telstra's response to Item 2 of the Information Request dated 6 May 2022 (RFI Response).

It will be a question of fact as to whether any potential future acquirer of an interest in one of the Applicants or other entity would be or would become a related body corporate within the meaning of the CCA or a Related Entity within the meaning of the IID of that Applicant, which would need to be assessed at the relevant time. For the avoidance of doubt, as above, no decisions have been made by Telstra's management regarding any plans for potential future transactions involving InfraCo Fixed or ServeCo.