



Company/ASX Code	TPG Telecom Ltd/ TPM
AGM date	Wednesday 4 December 2019
Time and location	Level 38 Tower Three Barangaroo Sydney
Registry	Computershare
Webcast	Yes
Poll or show of hands	Poll on all items
Monitor	Geoff Orrock and Pamela Murray-Jones
Pre AGM Meeting?	No response to Requests to meet with the Board

Item 1	Consideration of accounts and reports
ASA Vote	No vote required

Summary of ASA Position

After peaking in 2017 financial performance continued the decline which commenced last year. Statutory NPAT for 2019 was \$173.8 million (m) (2017 \$413.8m) due largely to impairment expense of \$236m relating to the Group’s decision to cease rollout of its Australian mobile network in January 2019.

Underlying EBITDA was \$818.4m (2017 \$835.0m) and underlying NPAT was \$376.2m (\$417.3m in 2017).

TPG declared dividends amounting to 4 cps in FY 2019 (2017 10cps). Statutory Earnings per Share were 18.7 cps.

In January 2019 TPG Telecom announced it had decided to cease rollout of its Australian mobile network following the Federal Governments ban on use of Huawei technology in the 5G network. TPG has commenced a write down of the value of assets already committed to this project in the 2019 financial year.

In May 2019 the ACCC announced it had decided to oppose the proposed merger of TPG and Vodafone Hutchison Australia on the basis that the merger would substantially lessen competition. TPG challenged this assertion in the Federal Court in September 2019 and a decision is expected early in 2020.

ASA would like to have discussed the implications relating to both of these issues. Unfortunately, the Board ignored our requests to meet with ASA again this year.

Summary

(As at FYE)	2019	2018	2017	2016*	2015
Revenue (\$m)	2477.4	2496.1	2490.7	2387.8	1,271
NPAT (\$m)	173.8	396.9	413.8	379.6	224.1
Share price (\$)	6.44	5.76	5.61	12.83	9.34
Dividend (cents)	4	4	10	14.5	11.5
1 yr TSR (%)	12	3	(56)	36	74
Statutory EPS (cents)	18.7	42.8	47.9	45.3	28.2
Exec Chair & CEO total remuneration, actual (\$m)	3.09	3.41	3.32	3.25	3.03

*iinet acquisition August 2015, 11 months contribution in FY 2016 accounts.

For FY19 the CEO's total actual remuneration was **35 times** the Australian Full time Adult Average Weekly Total Earnings (based on May 2019 data from the Australian Bureau of Statistics).

Item 2	Adoption of Remuneration Report
ASA Vote	Against

Summary of ASA Position

Shareholders look to remuneration policy for alignment of executive rewards with shareholder return. ASA policy seeks to ensure that incentive payments also strongly relate to performance which in turn is reflected in returns to shareholders. According to ASA policy, companies should pay a reasonable fixed salary and expect "normal" performance. Properly structured short-term and long-term incentive schemes, i.e., pay at risk, should be used to promote outstanding performance over the long term.

Fixed salary for the CFO increased from \$0.3m to \$0.6m with similar increases for other KMP. Cash bonuses paid to KMP averaged 40% of fixed salary. Once again 100% of the performance rights held by KMP which have a vesting date immediately following the 2019 FY were permitted to vest.

The CFO's Total Actual Remuneration was \$1.27m, an increase of \$0.3m or 38%. Other KMP received similar increases.

The equity incentive scheme was suspended pending the outcome of the proposed merger.

ASA will not support this resolution again this year.

Item 3	Re-election of Mr Joseph Pang
ASA Vote	Against

Summary of ASA Position.

Mr Pang has been a director of TPG Telecom since 2008.

The Board classifies him as an Independent director.

There is no gender diversity on the all-male TPG Board and only one female KMP, the Chief Information Officer.

As the company has an Executive Chairman there is no separation of Board and management responsibilities.

There has been no Board renewal for more than 10 years.

Directors are not permitted to speak to their re-election.

Given the corporate governance issues highlighted above, ASA intends not to support his re-election.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 ("ASA"). It is not a disclosure document, it does not constitute investment or legal advice and it does not take into account any person's particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents or related bodies corporate:

- makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness or fitness for purpose of any statements or information contained in this document; or*
- shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person's acts or omissions undertaken or made in reliance of any such statements, information or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.