

Hello Team,

As many of you know, I officially joined the company mid last week. For several months leading up to this date, I have been engaged with the various government offices, the Board of Directors, the Executive Committee members, and a few of you that are closer to the front line. The intent of my early engagement was to understand the critical issues that we need to address in order to move quickly and seamlessly to the next stage of us 'enabling the digital economy and closing the digital divide'.

While I can't say I have concluded a list of all the critical issues, the obvious ones are quite clear. As I begin to form my list, I can see areas of focus around technology, government policy, market place, and finally, how we operate internally. Relative to this last category, I have thought back on what the root causes were that I found kept a company from operating at its full potential.

The five most common areas holding a company back were:

1. Lack of alignment on, or unclear about, the goals for the company
2. Unclear or redundant accountability with a confusing organisation structure
3. Inadequate decision making, performance tracking, and results orientated action/re-action
4. Poor process management
5. A suboptimal environment (culture)

In my early reviews, many of you have suggested that we too need to address these five areas.

A few weeks back, the company communicated our purpose, our goals, and our strategic imperatives. These were used to identify the current year business priorities and launch a transformative set of initiatives designed to help us create a better company and deliver on our commitments. This all begins to address the first root cause mentioned above – goal clarity and alignment.

To partly address the second root cause, we will move to a new ExCo structure effective 1 May. This new structure is process based and will emphasise an internal customer-supplier relationship model.

From a process perspective, we start with a strategy and a plan, which in turn leads to building and operating a network, and ultimately handing over to a customer delivery organisation. Each of these in the value chain has both an upstream supplier and a downstream customer. The classic corporate functions of a company are also either suppliers or enablers to these operational units. These include Finance, Culture & Transformation, Legal, Regulatory, and Investor & Media Relations.

As of 1 May, 2014 the following roles and leaders will report to me:

- Chief Strategy Officer, JB Rousselot
- Chief Operating Officer, Greg Adcock
- Chief Customer Officer, John Simon
- Chief Legal Counsel, Justin Forsell
- Chief Financial Officer, Robin Payne (Acting)
- Chief Culture & Transformation Officer, Bradley Whitcomb
- Investor & Media Relations Officer, tbc
- Head of Regulatory Affairs, Caroline Lovell

Bradley Whitcomb who will join us on 1 May brings with him extensive experience and success in operations, strategy and business transformations, particularly in the telecommunications, technology and energy fields.

Kevin Brown, Head of Corporate & Commercial, will assist me in managing through this transition period and will leave the organisation in July. Kevin has been instrumental in

establishing NBN Co's corporate functions, sourcing over \$12.5b of activity and implementing the \$11b Telstra deal. As well, Kevin has overseen the establishment of our essential supply and security functions.

Robin Payne will be stepping down as CFO. We are currently engaged in a search for a new CFO and announcements will be made in due course. I want to thank Robin for agreeing to work with us through the transition period and for his many achievements over his four years with us. From helping to establish NBN Co's business model, to leading the team that secured the first Telstra deal, and more recently to growing and strengthening the Finance and Risk functions.

The CTO function will now report to the COO, and as a result Gary McLaren will be stepping down as Chief Technology Officer. Gary has agreed to assist during the transition period, which I am grateful for. Gary leaves the legacy of having created the technology architecture of the National Broadband Network and overseeing its initial delivery. He has also built a strong team of technology professionals who are now well placed to deliver the Multi Technology Model.

I would like you to join me in thanking Kevin, Robin and Gary. Appropriate farewells will be organised to celebrate their contributions.

In an ideal world we would be able to announce all of the changes that flow on from the new structure, however as you can appreciate there is still more work to be done to get this right.

You can expect to hear more from me and the Executive Committee on the changes as we progress, as well as answering your questions as part of roadshows I'll be doing in May.

Bill Morrow
CEO