



**AUSTAR United Communications Limited**

**ABN 088 087 695 707**

**Charter of the Board of Directors**

**Austar United Communications Limited**

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## 1 Purpose of Charter

The Board charter sets out the role, composition and responsibilities of the Board of Austar United Communications Limited (AUSTAR).

The conduct of the Board is also governed by AUSTAR's Constitution, a copy of which is located at <http://www.austarunited.com.au/investor/corporate-governance>.

## 2 Membership

AUSTAR's Constitution provides that the number of directors is to be fixed by the Board, but it must be no less than three and no more than twelve.

The Board's current policy is to have seven directors. Six directors are non-executive directors and one is an executive director and the Chief Executive Officer of AUSTAR. The Board will continue to review this policy from time to time.

Two directors of the Board will be independent non-executive directors. An independent director is a non-executive director who is determined by the Board to be independent, having regard to the tests set out in the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations (2<sup>nd</sup> Edition)', as well as any other information, facts or circumstances that the Board considers relevant.

All Directors are required to immediately disclose to the Company any information, facts or circumstances that will or may affect their independence or performance of their obligations as directors. Upon receipt of such disclosure by the Company, the Board is required to assess the independence (or other affected capacity) of the director in light of the disclosure.

The Board has adopted AASB standard 1031 to determine levels of materiality. A relationship is presumed immaterial when it generates less than 5%, and presumed material when it generates more than 10%, of revenue over a twelve-month period in the absence of evidence or convincing argument to the contrary. In considering such evidence or argument AUSTAR considers the strategic value and other material but non-quantitative aspects of the relationship in question.

The threshold for materiality for the purpose of assessing the materiality of relationships between a non-executive director and AUSTAR (other than as a



director) will be judged according to the significance of the relationship to the director in the context of their activities as a whole.

Membership of the Board shall be disclosed in the Annual Report including whether a director is independent or not independent.

### **3 Responsibilities**

The Board is responsible for the corporate governance of the Company and its controlled entities, and may exercise all of the powers of the Company that the constitution, the Corporations Act 2001 or the ASX Listing Rules do not require to be approved by the shareholders in a general meeting.

The Board oversees and guides the management of AUSTAR to enhance the interests of all shareholders, having regard to the interests of other stakeholders such as employees, customers, suppliers and the wider community.

Specific functions reserved to the Board include:

- (a) setting the strategic direction and policy framework of the Company;
- (b) establishing and monitoring the achievement of financial and operating objectives;
- (c) approving and monitoring capital expenditure;
- (d) setting, remuneration, appointing, removing and creating succession policies for directors and senior executives;
- (e) appointing the Chief Executive Officer;
- (f) providing assistance, guidance and support to the Chief Executive Officer
- (g) ensuring that management performs its role in accordance with applicable legal and ethical standards;
- (h) reviewing the Company's code of conduct to ensure it complies with Company values
- (i) ensuring the integrity of internal control and management information systems;
- (j) providing and monitoring financial and other reporting; and
- (k) representing the interests of, and reporting to, shareholders.

The Board has delegated certain powers to the Chief Executive Officer, who is responsible to the Board for the day-to-day management of the Company.



#### **4 Chairman**

The Chairman is a non-executive director appointed by the Board. Due to the nature of the Company's majority shareholding by United Astar Partners, and prevailing arrangements between the members of United Astar Partnership, the Board does not consider it appropriate to appoint an independent director of AUSTAR as Chairman. The Board considers that all directors, including the Chairman, are expected to exercise independent and unfettered judgment in relation to matters before the Board, having regard to the best interests of all shareholders.

Should the Chairman be absent from a meeting, the Deputy Chairman should act as Chairman of the meeting. If both are not present, the members of the Board present at the meeting have authority to choose one of their number to chair that particular meeting.

#### **5 Separation Of Functions Between The Chairman And Chief Executive Officer**

The roles of the Chairman and Chief Executive Officer are strictly separated.

The Chairman is responsible for the following examples of duties:

- (a) on behalf of the Board, reviewing the performance of the CEO and advising the Remuneration Committee of his findings;
- (b) acting as a sounding board for the CEO;
- (c) leading the Board in discharging its duties to AUSTAR;
- (d) implementing appropriate mechanisms to evaluate the performance of the Board, its committees and individual directors;
- (e) facilitating an atmosphere conducive to effective discussions at Board meetings; and
- (f) ensuring effective communication with shareholders.

The Chief Executive Officer is responsible for:

- (a) the efficient and effective operation of AUSTAR;
- (b) providing the Board with accurate and clear information in a timely manner to promote effective decision-making by the Board; and
- (c) ensuring all material matters affecting the AUSTAR Group are brought to the Board's attention.



## **6 Secretary**

The Company Secretary's appointment and removal are matters for the Board. The services of the Company Secretary are to be made available to all directors.

## **7 Reporting**

Proceedings of all meetings are to be minuted and signed by the Chairman or the chairman of the meeting.

Minutes of all Board meetings are to be circulated to directors and approved by the Board, preferably before or at the subsequent meeting.

## **8 Review of Charter**

The Board will review this charter on a regular basis to ensure it remains consistent with the Board's role and responsibilities. Key features of the charter will be outlined in the annual report to shareholders.

A copy or a summary of the charter will be made available at <http://www.austarunited.com.au/investor/corporate-governance>, and to shareholders of the Company upon request.

## **9 Other Matters**

This charter is not an exhaustive statement of the Board's role and responsibilities. A number of other matters relating to the Board are governed by the Constitution of AUSTAR and are not reproduced here.