



AUSTAR United Communications Limited

ABN 088 087 695 707

Board Remuneration Committee Charter



AUSTAR United Communications Limited (the Company)

Board Remuneration Committee Charter

Membership

1. The Remuneration Committee shall be appointed by the Board and will consist of a minimum of 3 non-executive directors.
2. The Chairman of the Committee shall be appointed by the Board. Should the Chairman be absent from a meeting, the members of the Committee present at the meeting shall choose one of the other members of the Committee to chair that particular meeting.
3. The presence of two non-executive directors shall constitute a quorum of the Committee.
4. The duties and responsibilities of a member of the Committee shall be in addition to those duties set out for a director of the Board.

Secretary

5. The secretary of the Committee shall be the Company Secretary or such other person as the Committee may appoint from time to time.

Attendance at Meetings

6. The Committee may invite any person it thinks appropriate to attend its meetings.

Authority and Frequency of Meetings

7. The Committee is authorised by the Board to act within its terms of reference. It is authorised to seek any information it requires from any employee of the Company or its subsidiaries.
8. The Committee is authorised by the Board to obtain outside professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
9. Meetings shall be held not less than twice per year. In addition, the Chairman of the Committee will call a meeting if requested to do so by any member of the Committee.



Voting

10. Matters arising for determination at Committee meetings shall be decided by a majority of votes of directors present and voting. Any such decision shall for all purposes be a decision of the Committee.
11. In the case of equality of votes, the Chairman of the meeting, in addition to his or her deliberative vote, has a casting vote.

Purpose

12. The purpose of the Committee in relation to remuneration matters is to:-
 - 12.1 determine the remuneration policies and remuneration of the directors, the Chief Executive Officer, and members of the Senior Management Team of the Company;
 - 12.2 to periodically review the Company's overall remuneration and incentive policies and strategies in relation to key executives and advise the Board on the appropriateness of such strategies;
 - 12.3 determine the Company's recruitment, retention, termination and succession policies and procedures for senior management;
 - 12.4 determine and review superannuation arrangements for the Company's directors (where relevant) and employees;
 - 12.5 periodically review the professional indemnity, liability and other insurance of directors and senior management; and
 - 12.6 to review annual bonus recommendations from the CEO to adopt these if considered appropriate.
13. In addition to the above remuneration matters, the Committee will be responsible for:
 - 13.1 assessing necessary and desirable competencies of Board members, and developing a plan for identifying, assessing and enhancing director competencies;
 - 13.2 developing and regularly reviewing Board succession plans and regularly reviewing the appropriate size and composition of the Board;
 - 13.3 evaluating the performance of the Board as a whole, including reviewing the time required from non-executive directors to



adequately discharge their duties and whether directors are satisfying this requirement;

13.4 ensuring there is an appropriate induction program in place for new directors and key executives, and periodically reviewing its effectiveness; and

13.5 if required by the Chairman of the Board, make recommendations for the appointment and removal of directors to the Board.

14. The Committee shall ensure that the Board and, where relevant, senior management are provided with sufficient information to assist them to make informed decisions in relation to the above matters.

Duties

15. The Committee shall be responsible for all elements of the remuneration of the executive directors of the Company and shall decide on:-

15.1 the basic salary paid to the executive directors and senior key employees and any recommendations made by the Chief Executive of the Company for changes to that basic salary;

15.2 the remuneration and terms of employment of prospective executive directors of the Company;

15.3 any bonuses to be paid to the executive directors, other senior key employees and other staff members, in respect of any element of remuneration of an executive director or any staff member which is performance-related, to formulate suitable performance-related criteria and monitor their operation, and to consider any recommendations of the Chief Executive of the Company regarding bonuses or performance-related remuneration;

15.4 all performance-related formulae relevant to the remuneration of the directors and staff members of the Company and to consider the eligibility of directors and other employees for annual bonuses and benefits under long term incentive schemes;

15.5 all aspects of any executive share option scheme type incentive plan (including but not limited to participation rights or share acquisition incentive schemes) operated by or to be established by the Company including but not limited to (subject always to the rules of that scheme and any applicable legal and stock exchange requirements):-



- 15.5.1 the selection of those eligible directors and senior staff members of the Company and its subsidiary companies to whom options should be granted;
 - 15.5.2 the timing of any grant;
 - 15.5.3 the numbers of shares over which options (or other type equity based performance bonus incentives) are to be granted;
 - 15.5.4 the exercise price at which options or shares or equity type bonus incentives are to be granted;
 - 15.5.5 the imposition of any objective condition which must be complied with before any option or other type equity incentive may be exercised;
- 15.6 disclosure of details of remuneration packages and structures in addition to those required by law or by the Australian Stock Exchange;
 - 15.7 other benefits granted to the executive directors and senior key staff members and any recommendations of the Chief Executive of the Company for changes in those benefits;
 - 15.8 the terms of the service contracts of the executive directors and key executive staff and any proposed changes to these contracts; and
 - 15.9 other matters relating to the remuneration of or terms of employment applicable to the executive directors and key executive staff and referred to the Committee by the Board.

The Committee shall have regard in the performance of the duties set out herein to any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share option schemes which the Remuneration Committee considers relevant or appropriate.

Reporting Procedures

- 16. The Chairman of the Committee shall ensure that the recommendations and decisions of meetings are minuted and approved by the Chairman, and that the minutes of the meetings of the Committee are provided or made available to all members of the Board.



17. The Chairman of the Committee should be available to answer questions on remuneration principles and practice at Annual General Meetings of the Company.

Committee Members' Interests

18. A member or attendee of the Committee is not entitled to be present when his or her own salary, fee or other compensation or incentive arrangements are discussed at a meeting, or when his or her performance is being evaluated.

Review of Charter

19. This Charter is to be regularly reviewed by the Board to ensure it remains consistent with the Board's requirements, and may be amended by the Board at any time.