



AUSTAR United Communications Limited

ABN 088 087 695 707

Risk Management Policy



Austar United Communications Limited (AUSTAR) Risk Management Policy

Purpose

The purpose of this policy is to formalise:

- AUSTAR's commitment to effective and efficient risk management;
- AUSTAR's approach to and methodology for, risk management; and
- Responsibilities with regards to risk management.

AUSTAR acknowledges that the management of risk is an integral part of good corporate governance and sound management practice in order to:

- Protect the Company from those risks of significant likelihood and consequence in the pursuit of AUSTAR's strategic business objectives;
- Provide a consistent risk management framework in which the risks concerning business processes and functions will be identified, ranked, considered, and addressed in key approval, review and control processes;
- Encourage pro-active rather than re-active management;
- Provide assistance to, and improve the quality of decision making throughout the business;
- Meet legal or statutory requirements;
- Assist in safeguarding AUSTAR's assets, people, finance, property and reputation; and
- Optimise the return to, and protect the interests of stakeholders (including shareholders, customers and employees).

Policy

To achieve our corporate goals, including meeting the economic expectations of shareholders, AUSTAR must pursue opportunities that involve some degree of risk.

AUSTAR's policy is to:

- Identify and assess risks to our business objectives and understand how such risks influence performance;
- Ensure that an appropriate risk management framework is in place and that this is aligned to our business strategy;
- Support the framework and strategy with an appropriate organisational structure and ensure that associated responsibilities are clearly defined and communicated at all levels;



- Ensure that risk information is communicated through a clear and robust reporting structure; and
- Integrate ongoing risk management activities within the business.

AUSTAR adopts the management approach and general methodology specified in the risk management standard, AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines.

AUSTAR views risk management as a continuous process, and a fundamental driver of effective Corporate Governance.

Scope

This policy applies to all AUSTAR subscription television, mobile telephony and internet operations. The policy is a living document and will evolve over time as the Company responds to its changing risk environment.

RESPONSIBILITIES

Management

Management is responsible for identifying and evaluating risks within their area of responsibility, implementing agreed actions to manage risk and for reporting any activity or circumstance that may give rise to new or changed risks.

Employees

All employees have a general duty of care and are responsible for complying with requests from management in connection with the application of this policy. Through appropriate preventative action, all reasonable care should be taken to prevent loss and to make sure that AUSTAR's operations, reputation and assets are not adversely affected.

Governance

The Board is ultimately responsible for the oversight of the risk management framework and for communicating the requirements of this policy.

To assist the Board in discharging its responsibility in relation to risk management, the board has delegated certain activities to the Audit & Risk Committee.



The Audit & Risk Committee has responsibility for the establishment, implementation, maintenance and assurance of the processes for the identification and assessment of the business risk environment in accordance with this policy.

Operational

All members of the Senior Management Team are responsible for the implementation and maintenance of the risk management framework relevant to their department.

The Audit & Risk Committee will appoint a Risk Manager to assist management coordinate their risk management obligations across the business.

For each individual Department or risk area, a risk coordinator may be appointed to assist Senior Management Team members to effectively communicate and promote a culture of compliance within each department.

COMMUNICATION

This policy is available to all AUSTAR employees by way of the Intranet.

This policy can also be accessed via AUSTAR's corporate website (www.austarunited.com.au/investor/corporate-governance) for:

- the information of relevant stakeholders;
- compliance with AUSTAR's Continuous Disclosure and Securities Trading Policy; and
- compliance with ASX Corporate Governance Principles and Recommendations (2nd Edition).

DEFINITIONS

The Australian and New Zealand Risk Management Standard (AS/NZS ISO 31000:2009) provides the following definitions with minor modifications as relevant to the AUSTAR context:

Risk

Effect of uncertainty on objectives. It is measured in terms of consequence of an event and likelihood of occurrence.

**Consequence**

The outcome of an event or situation, expressed qualitatively or quantitatively, being a loss, injury, disadvantage or gain. There may be a range of possible outcomes associated with an event.

Likelihood

A qualitative description or synonym for probability or frequency.

Risk Assessment

The overall process of risk analysis and risk evaluation.

Risk Management

The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.

Risk Treatment

Selection and implementation of appropriate options for dealing with risk.

Conceptually, treatment options will involve one or a combination of the following five strategies:

- *Avoid the risk*
- *Reduce the likelihood of occurrence*
- *Reduce the consequences of the occurrence*
- *Transfer the risk.*
- *Retain / Accept the risk.*

Risk Management Process

The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.

RISK PROFILE

Due to the dynamic nature of AUSTAR's industry, the material risks we face regularly change. AUSTAR's risk profile will be updated regularly commensurate with the outcomes of strategic and operational planning and review.

ASSESSMENT & REVIEW

This policy will be assessed and reviewed annually to ensure its effectiveness and relevance to the dynamics of our evolving industry. Responsibility for review rests with the Risk Management Committee.