

# BOARD CHARTER

The Board has responsibility for driving the strategy and monitoring the performance of Hutchison Telecommunications (Australia) Limited (“HTAL”) and its subsidiaries (“HTAL Group”), protecting the rights and interests of shareholders, and is responsible for overall corporate governance. The Board is governed by the Constitution of HTAL.

The Board recognises that HTAL is a separate corporate entity, subject to the laws of Australia, but also acknowledges that it is part of the CK Hutchison group of companies and that its strategies and direction may be influenced or assisted by the CK Hutchison group to the extent not inconsistent with its existence as a separate Australian entity. For the purposes of this Charter references to management and executive positions may, depending on the circumstances refer to management of HTAL or persons nominated to fulfil that role from time-to-time.

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## 1. BOARD RESPONSIBILITIES

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The Board’s responsibilities include:

- Defining HTAL’s purpose, reviewing and approving the statement of values and the strategic direction of HTAL and establishing goals, both short term and long term, to ensure these values and strategic objectives are met and ensuring appropriate resources are available to meet these values and objectives;
- Overseeing management in its implementation of HTAL’s strategic objectives, instilling of HTAL’s values and performance generally;
- Demonstrating leadership and the highest standards of professional conduct in respect of HTAL’s affairs and instilling and continually reinforcing a culture across HTAL of acting lawfully, ethically and responsibly;
- Overseeing the integrity of HTAL’s accounting and corporate reporting systems, including the external audit, control and accountability systems;
- Monitoring the performance of management against these goals and objectives and initiating corrective action when required;
- Reviewing and approving annual financial plans and monitoring corporate performance against both short term and long term financial plans;
- Ensuring there are adequate internal controls and ethical standards of behaviour adopted and met within HTAL;
- Appointing and removing the Chief Executive Officer (“CEO”), approving the performance objectives of the CEO, evaluating performance and determining the remuneration of senior executives and ensuring appropriate policies and procedures in place for recruitment, training, occupational health & safety, environmental issues, remuneration and succession planning;
- Appointing and removing the Company Secretary;
- Appointing the Chairman and Deputy Chairman of the Board;
- Where appropriate, ratifying the appointment and the removal of senior executives;
- Satisfying itself that HTAL has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within

- which the Board expects management to operate;
- Satisfying itself that HTAL's remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite;
  - Ensuring the business risks facing HTAL are identified and reviewing, ratifying and monitoring sound systems of risk management and internal compliance and control, codes of conduct and legal compliance;
  - Satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
  - Monitoring the effectiveness of the entity's governance practices;
  - Whenever required, challenging management and holding it to account;
  - Approving appropriate levels of delegations of authority to the CEO and senior executives;
  - Approving and monitoring the progress of major capital expenditure, capital management, funding and acquisitions and divestitures;
  - Approving material contracts;
  - Approving and monitoring budgets, financial and other reporting including annual accounts and the annual report;
  - Recommending auditors and new directors to shareholders;
  - Approving HTAL's Code of Conduct and fostering an appropriate corporate culture matched to HTAL's values and strategies;
  - Ensuring effective open, timely and balanced communication to shareholders and other stakeholders and the public including all information concerning HTAL that a reasonable person would expect to have a material effect on the price or value of HTAL's securities;
  - Approving policies governing related party transactions;
  - Delegating an appropriate level of authority to management;
  - Approving the charters of the Audit & Risk Committee, Corporate Governance, Nomination & Compensation Committee and related policies;
  - Monitoring developments in the telecommunications industry and the HTAL's operating environment; and
  - Crisis management.

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## **2. BOARD COMMITTEES**

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The Board has established an Audit & Risk Committee and a Governance, Nomination & Compensation Committee to assist and advise the Board on specific matters set out in the charters of those committees.

The HTAL constitution provides for a quorum of two directors and sets out the manner in which the number of directors on the Board is determined.

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## **3. DIRECTOR INDEPENDENCE**

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A review of a director's independence will initially be considered before the appointment of a new director and then reviewed at least annually. Independence will also be reviewed from time-to-time if there is any change in an individual director interests. A director's independence will be reviewed by a formal assessment using defined criteria of independence

and materiality consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations applicable at the time of assessment. Membership of the Board is disclosed in the annual report including the independence of a director.

The Board has not adopted a tenure policy.

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## **4. NON-EXECUTIVE DIRECTOR SELECTION PROCESS**

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The Board, in consultation with the Governance, Nomination & Compensation Committee, determines the composition of the Board. The Board, together with the Governance, Nomination & Compensation Committee, will review the skills represented by directors on the Board and determine whether the composition and mix of those skills remain appropriate for HTAL's strategy, subject to limits imposed by HTAL's constitution and the terms served by existing non-executive directors.

The Board may engage an external professional consultant to identify suitable candidates in a director recruitment search process. Candidates are selected based on their level of skill, knowledge and experience that enables the Board to discharge its responsibilities effectively. The selection process also aims to achieve an appropriate mix of skills, expertise, experience and diversity (including gender).

The Board has considered the skills that are appropriate for the Board as a whole and these currently include experience in:

- General business management, strategy & entrepreneurship;
- Information and technology particularly in telecommunications or multimedia;
- Marketing, sales and distribution in highly competitive markets;
- Government relations & policy;
- Legal, governance & compliance risk management;
- Human resources & remuneration;
- Accounting, finance & audit; and
- Banking, treasury & capital markets.

Prior to the appointment of a new director appropriate checks will be undertaken including education, employment and character references. Each new director receives a letter of appointment detailing the HTAL's expectations and an induction process is arranged by the Company Secretary.

The Board will use succession planning to achieve the progressive and orderly renewal of its Board membership. The Board may engage the assistance of an independent professional consultant in that process.

Procedures for the nomination, selection and appointment of non-executive directors are governed by this Charter, the Governance, Nomination & Compensation Committee Charter, the Diversity Policy, the Constitution, the ASX Listing Rules and the Corporations Act.

A non-executive director should inform the chair of the Board (and the chair of the Governance, Nomination & Compensation Committee, if a different person) before accepting any new appointment as a director of another listed entity, other material directorship or any other position with a significant time commitment.

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## **5. COMPANY SECRETARY**

The Company Secretaries will be accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

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## **6. MANAGING DIRECTOR/CEO**

The Managing Director and/or CEO is appointed by the Board and has responsibility for the overall operational and business management and profit performance of HTAL, instilling and reinforcing its values and operating in accordance with the values, risk appetite, strategy, plans and policies approved by the Board to achieve agreed goals.

Senior executives who report to the Managing Director/CEO have their roles and responsibilities defined in position descriptions. The Managing Director/CEO appoints all senior executives reporting to him after consultation with the Board and subject to satisfactory background checks being conducted.

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## **7. REVIEW**

The Board will review this Charter regularly to keep it up to date and consistent with the Board's objectives and responsibilities.