



Date	12 July 2011	ABN 47 702 595 758
Page	1 of 202	Level 28
From	Marcus Clark / Robert Kerr, Allens Arthur Robinson	Deutsche Bank Place Corner Hunter and Phillip Streets Sydney NSW 2000 Australia
To	ASX Company Announcements Office	T +61 2 9230 4000 F +61 2 9230 5333
Fax	1300 135 638	<i>Correspondence</i> GPO Box 50 Sydney NSW 2001 Australia DX 105 Sydney
To	Deanne Weir , Company Secretary, Austar United Communications Limited	
Email	DWeir@Austar.com.au	www.aar.com.au

Dear Sir / Madam

Austar United Communications Limited (AUN)

We act for the FOXTEL Partnership and its agent FOXTEL Management Pty Limited.

We enclose a notice of initial substantial holder (Form 603), which we have been authorised to submit on behalf of Consolidated Media Holdings Limited and the other entities listed in the notice.

Yours faithfully

Marcus Clark
Partner
Marcus.Clark@aar.com.au
T +61 2 9230 4260

Robert Kerr
Senior Associate
Robert.Kerr@aar.com.au
T +61 2 9230 4406

Encl

Our Ref KYBS:MMCB:120092119

rzks A0118089999v1 120092119 12.7.2011

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Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Austar United Communications Limited (AUSTAR)

ACN/ARSN 087 695 707

1. Details of substantial holder (1)

Name This notice is given by Consolidated Media Holdings Limited (ACN 009 071 167) (CMH) on behalf of itself and its controlled entities listed in Annexure A (CMH Controlled Entities).

ACN/ARSN (if applicable) As above

The holder became a substantial holder on 11/07/2011

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	688,458,394	688,458,394	54.15%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
CMH and the CMH Controlled Entities	<p>Telstra Media Pty Limited (ACN 069 279 027) and Sky Cable Pty Limited (ACN 069 799 640) in their capacity as partners of the FOXTEL Partnership, FOXTEL Management Pty Limited (ACN 068 671 938) in its capacity as agent for the FOXTEL Partnership, FOXTEL Holdings Pty Limited (ACN 151 690 327) and its subsidiaries FOXTEL Australia Pty Limited (ACN 151 691 753) and FOXTEL Finance Pty Limited (ACN 151 691 897), and Premier Media Group Pty Limited (ACN 065 445 418), a holding company of Sky Cable Pty Limited (ACN 069 799 640) (referred to collectively as FOXTEL), have a relevant interest in the shares by virtue of certain transaction documents entered into in connection with the proposed acquisition by FOXTEL of 100% of the Issued shares in AUSTAR (copies of which are reproduced in Annexure B).</p> <p>CMH and the CMH Controlled Entities are deemed under section 608(3) of the Corporations Act to have the same relevant interest in the shares as FOXTEL, as their voting power in FOXTEL exceeds 20%.</p>	688,458,394 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
CMH and the CMH Controlled Entities	United Austar Partners, a body controlled by Liberty Global, Inc.	United Austar Partners, a body controlled by Liberty Global, Inc.	682,218,242
CMH and the CMH Controlled Entities	United AUN, LLC, a body controlled by Liberty Global, Inc.	United AUN, LLC, a body controlled by Liberty Global, Inc.	6,240,152

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
CMH and the CMH Controlled Entities	11/07/2011		Nil. CMH and the CMH Controlled Entities are deemed to have a relevant interest in the shares pursuant to section 608(3). FOXTEL has agreed to pay \$1.52 cash per share, subject to fulfilment of certain conditions pursuant to the transaction documents.	688,458,394 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Consolidated Media Holdings Limited	Level 2, 54 Park Street, Sydney, New South Wales, 2000
Austar United Communications Limited	Level 1, 46-52 Mountain Street, Ullimo, New South Wales, 2007
Telstra Media Pty Limited	Level 41, 242-282 Exhibition Street, Melbourne, Victoria, 3000
Sky Cable Pty Limited	55 Pyrmont Bridge Road, Pyrmont, New South Wales, 2009
FOXTEL Management Pty Limited, FOXTEL Holdings Pty Limited, FOXTEL Australia Pty Limited, FOXTEL Finance Pty Limited	5 Thomas Holt Drive, North Ryde, New South Wales, 2113
Premier Media Group Pty Limited	55 Pyrmont Bridge Road, Pyrmont, New South Wales, 2009

Signature

print name

LOUISE LANE

capacity

COMPANY
SECRETARY

sign here



date

12 / 7 / 2011

ANNEXURE A

This is Annexure A of 3 pages referred to in the Form 603 Notice of initial substantial holder given by CMH for itself and the CMH Controlled Entities.

Signed by: LOUISE LANE, COMPANY SECRETARY

Signature: 

Date: 12 JULY 2011

Name of Entity	ACN or EQUIVALENT	Registered Address
ACPPS Pty Limited	ARB 112 775 372	Level 2, 54 Park Street, Sydney NSW 2000
ACPPS Pty Limited	139129	c/o Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Cayman Islands
Carraroe Pty Limited	137 998 755	Level 2, 54 Park Street, Sydney NSW 2000
CML Holdings No 1 Pty Limited	100 422 795	Level 2, 54 Park Street, Sydney NSW 2000
Consolidated Magazines Pty Limited	008 550 632	Level 2, 54 Park Street, Sydney NSW 2000
Ecorp Holdings Limited	999088	10 Petrona House, Fowler Street, off East Bay Street, City of Nassau, Island of New Providence, Commonwealth of the Bahamas
Ecorp International Investments Limited	101597B	10 Petrona House, Fowler Street, off East Bay Street, City of Nassau, Island of New Providence, Commonwealth of the Bahamas
Ecorp International Limited	120768B	10 Petrona House, Fowler Street, off East Bay Street, City of Nassau, Island of New Providence, Commonwealth of the Bahamas
Mancon Nominees Pty Limited	089 197 231	Level 2, 54 Park Street, Sydney NSW 2000
Manden Productions Pty Limited	000 549 995	Level 2, 54 Park Street, Sydney NSW 2000
Manpress Pty Limited	089 133 291	Level 2, 54 Park Street, Sydney NSW 2000
MH Finance Holdings Pty Limited	112 574 884	Level 2, 54 Park Street, Sydney NSW 2000
MH Finance Investments Pty Limited	112 575 247	Level 2, 54 Park Street, Sydney NSW 2000
MHLP Holdings No 1A Pty Limited	111 959 187	Level 2, 54 Park Street, Sydney NSW 2000
MHLP Holdings Pty Limited	111 957 861	Level 2, 54 Park Street, Sydney NSW 2000
PBL Enterprises Limited	058 558 919	Level 2, 54 Park Street, Sydney NSW 2000
PBL Film Holdings Pty Limited	112 159 350	Level 2, 54 Park Street, Sydney NSW 2000
PBL Management Pty Limited	058 558 606	Level 2, 54 Park Street, Sydney NSW 2000
PBL Media Holdings Shareholder Pty Limited	122 201 923	Level 2, 54 Park Street, Sydney NSW 2000
PBL MH Investments No 1 Pty Limited	100 422 615	Level 2, 54 Park Street, Sydney NSW 2000
PBL MH Investor Pty Limited	100 422 786	Level 2, 54 Park Street, Sydney NSW 2000
PBL MH Pty Limited	111 214 003	Level 2, 54 Park Street, Sydney NSW 2000

PBL MH2 Investor Pty Limited	100 490 248	Level 2, 54 Park Street, Sydney NSW 2000
PBL Pay TV Pty Limited	084 940 367	Level 2, 54 Park Street, Sydney NSW 2000
PBL Property Pty Limited	000 149 833	Level 2, 54 Park Street, Sydney NSW 2000
PBL Securities (Cyprus) Limited	HE 182 127	Asoted Services Limited Office 1002, 10 th Floor Nicolaou Pentadromos Center Thessalonikis Street 3025 Limassol Cyprus
PBL Short Term Pty Limited	060 654 364	Level 2, 54 Park Street, Sydney NSW 2000
Robbdoc Pty Limited	086 229 138	Level 2, 54 Park Street, Sydney NSW 2000
Sharland Pty Limited	008 638 373	Level 2, 54 Park Street, Sydney NSW 2000
Skeat Pty Limited	008 638 337	Level 2, 54 Park Street, Sydney NSW 2000
TCN Investments Pty Limited	100 170 303	Level 2, 54 Park Street, Sydney NSW 2000
Windfyr Pty Limited	105 295 136	Level 2, 54 Park Street, Sydney NSW 2000

ANNEXURE B

This is Annexure B of 196 pages referred to in the Form 603 Notice of initial substantial holder given by CMH for itself and the CMH Controlled Entities.

Signed by: LOUISE LANE, COMPANY SECRETARY

Signature: 

Date: 12 JULY 2011

Implementation Deed

AUSTAR United Communications Limited

Telstra Media Pty Limited

Sky Cable Pty Limited

FOXTEL Management Pty Limited

Liberty Global, Inc.

LGI Bidco Pty Limited

Freehills

MLC Centre Martin Place Sydney NSW 2000 Australia
GPO Box 4227 Sydney NSW 2001 Australia
Sydney Melbourne Perth Brisbane Singapore

Telephone +61 2 9225 5000 Facsimile +61 2 9322 4000
www.freehills.com DX 361 Sydney

Associated offices in Jakarta Beijing Shanghai Hanoi Ho Chi Minh City

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Timetable

Implementation Deed

Date ► 11 July 2011

Between the parties	
AUSTAR	AUSTAR United Communications Limited ACN 087 695 707 of Level 1, 46 – 52 Mountain Street, Ultimo, New South Wales, 2007
FOXTEL	Telstra Media Pty Limited ACN 069 279 027 of Level 41, 242-282 Exhibition Street, Melbourne, Victoria, 3000 (Telstra Media) and Sky Cable Pty Limited ACN 069 799 640 of 55 Pymont Bridge Road, Pymont, New South Wales, 2009 (Sky Cable) in their capacity, unless otherwise specified, as the partners of the FOXTEL Partnership and FOXTEL Management Pty Limited ACN 068 671 938 of 5 Thomas Holt Drive, North Ryde, New South Wales, 2113 (FOXTEL Management) in its capacity, unless otherwise specified, as agent for the FOXTEL Partnership (Telstra Media and Sky Cable, when acting in their capacity as the partners of the FOXTEL Partnership, and FOXTEL Management, when acting in its capacity as agent for the FOXTEL Partnership, referred to collectively as FOXTEL)
Liberty	Liberty Global, Inc. a Delaware corporation of 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America
Bidder	LGI Bidco Pty Limited ACN 151 767 449 of Level 7, 1 Gold Fields House, 1 Alfred Street, Sydney, New South Wales, 2000

Freehills

Recitals	<ol style="list-style-type: none">1 The parties have agreed that FOXTEL will acquire AUSTAR in two phases.2 Firstly the Bidder will acquire all of the shares in AUSTAR not already owned by Liberty Group Members by means of a scheme of arrangement under Part 5.1 of the Corporations Act between AUSTAR and Scheme Shareholders with Scheme Financier lending the Bidder the Total Scheme Consideration.3 Secondly, following the implementation of the Scheme and a restructure, FOXTEL Bidco and FOXTEL will acquire the Liberty Group Members' interest in AUSTAR.4 The parties have agreed to implement the Transaction on the terms of the Transaction Documents substantially in accordance with the Transaction Steps and Timetable.
This deed witnesses as follows	

1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
ACCC	Australian Competition and Consumer Commission.
AEPL	Austar Entertainment Pty Limited ACN 068 104 530.
ASIC	Australian Securities and Investments Commission.
associate	has the meaning in section 12(2) of the Corporations Act.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
AUH	Austar United Holdings Pty Limited ACN 146 562 263.
AUSTAR 2011 Budget	the 2011 budget for the business of the AUSTAR Group, as approved by the AUSTAR Board in December 2010.
AUSTAR Board	the board of directors of AUSTAR.
AUSTAR Charge	a fixed and floating charge to be granted by AUSTAR in or substantially in the form annexed to the FOXTEL Funding Agreement in favour of FOXTEL Finco to secure AUSTAR's obligations under the FOXTEL Funding Agreement.
AUSTAR Consolidated Tax Group	the Consolidated Group of which AUSTAR is the head company (as defined for the purposes of the Tax Act).
AUSTAR Group	AUSTAR and each of its subsidiaries and controlled entities and a reference to an AUSTAR Group Member is to any member of the AUSTAR Group.
AUSTAR Information	information regarding the AUSTAR Group prepared by AUSTAR for inclusion in the Scheme Booklet, being all the contents of the Scheme Booklet other than the FOXTEL Information, the Liberty

Term	Meaning
	Information, the Independent Expert's Report and the tax letter prepared by AUSTAR's tax adviser.
AUSTAR Material Adverse Change	<p>an event or series of events which has or could reasonably be expected:</p> <ol style="list-style-type: none"> 1 to result in a diminution of the AUSTAR Group's adjusted operating cash flow (being revenue less operating expenses and stock-based compensation, excluding foreign exchange, impairment, depreciation, amortization and transaction costs and expenses incurred or paid in connection with the Transaction) by more than \$50 million in each of the financial years ending 31 December 2012 and 31 December 2013; or 2 to have a material adverse effect on the status of any approvals, licences or permits issued to an AUSTAR Group Member that are material to the AUSTAR Group's business, <p>other than those events:</p> <ol style="list-style-type: none"> 3 notified to ASX or disclosed in a document lodged with ASIC by or on behalf of AUSTAR (in each case, provided the event and its effect on the AUSTAR Group's business is fully and fairly disclosed in the notification or document) prior to the date of this deed; 4 to which FOXTEL Management consents in writing (in its absolute discretion); 5 required or expressly permitted by this deed or any other Transaction Document (including as a result of the giving of a Substitution Notice); 6 fully and fairly disclosed (together with its effect on the AUSTAR Group's business) in the Disclosure Materials; 7 that are, relate to or arise from general economic, regulatory or political conditions or changes in those conditions (including financial market fluctuations or changes in interest rates); 8 that arise from any actual or proposed change in tax, law or accounting standards or mandatory policies or codes; 9 affecting the pay television industry as a whole; or 10 that are, relate to or arise from an act of terrorism, war (whether or not declared), natural disaster or the like.

Term	Meaning
AUSTAR Material Subsidiary	<p>each of:</p> <ol style="list-style-type: none"> 1 AUH; 2 AEPL; 3 CTV Pty. Ltd. ACN 064 416 128; 4 STV Pty. Ltd. ACN 065 312 450; 5 Vinatech Pty. Ltd. ACN 065 366 314; 6 Selectra Pty. Ltd. ACN 065 367 526; 7 UAP Australia Programming Pty Ltd ACN 083 851 807; 8 Century Programming Ventures Corp., a Nevada corporation; 9 Continental Century Pay TV Pty Limited ACN 059 914 840; and 10 Century United Programming Ventures Pty Limited ACN 069 957 759.
AUSTAR Prescribed Occurrence	<p>other than:</p> <ol style="list-style-type: none"> 1 as required by this deed, any other Transaction Document or the Transaction Steps (including as a result of the giving of a Substitution Notice); or 2 as agreed to in writing by FOXTEL Management, <p>the occurrence of any of the following between the date of this deed and 8.00am on the Second Court Date:</p> <ol style="list-style-type: none"> 3 AUSTAR converting all or any of its shares into a larger or smaller number of shares; 4 an AUSTAR Group Member resolving to reduce its share capital in any way; 5 an AUSTAR Group Member: <ul style="list-style-type: none"> • entering into a buy-back agreement; or • resolving to approve the terms of a buy-back agreement under the Corporations Act; 6 an AUSTAR Group Member issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option other than to an AUSTAR Group Member; 7 an AUSTAR Group Member issuing or agreeing to issue securities convertible into shares; 8 an AUSTAR Group Member disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property other than to another AUSTAR Group Member; 9 an AUSTAR Group Member creating, or agreeing to create, any Encumbrance over the whole, or a substantial part, of its business or property other than a lien which arises by operation of law securing an obligation that is not yet due; 10 an AUSTAR Group Member resolving that it be wound up; 11 AUSTAR or an AUSTAR Group Member (as applicable) being under an obligation (whether or not conditional) to do any of the

Term	Meaning
	<p>things set out in items 1 to 10; or</p> <p>12 an Insolvency Event with respect to AUSTAR or any AUSTAR Material Subsidiary.</p>
AUSTAR Registry	Computershare Investor Services Pty Limited ACN 078 279 277.
AUSTAR Released Parties	AUSTAR, each other AUSTAR Group Member and their respective directors, officers and employees.
AUSTAR Share	a fully paid ordinary share in AUSTAR.
AUSTAR Shareholder	each person who is registered as the holder of an AUSTAR Share at the relevant time.
AUSTAR Warranties	the representations and warranties of AUSTAR set out in Schedule 3.
Business Day	has the same meaning as in the Listing Rules.
Competing Transaction	<p>a transaction or arrangement pursuant to which a Third Party or, in the case of paragraph 4 below, any person, will, if the transaction or arrangement is entered into or completed:</p> <ol style="list-style-type: none"> 1 acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a material part of the assets or the business of the AUSTAR Group; 2 acquire control (as determined in accordance with section 50AA of the Corporations Act) of AUSTAR, AEPL or AUH; 3 otherwise acquire or merge with AUSTAR, AEPL or AUH, <p>whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction or buy back, sale or purchase of shares or assets, joint venture, dual-listed company structure (or other synthetic merger), or other transaction or arrangement; or</p> <ol style="list-style-type: none"> 4 be a party to an agreement with AUSTAR (other than an agreement to which a FOXTEL Group Member or a FOXTEL Partner Group Member is also a party) that requires AUSTAR to abandon, or otherwise fail to proceed with, the Transaction. <p>For the avoidance of doubt, the giving of a Substitution Notice by Liberty will not constitute a Competing Transaction.</p>
Competition Act	the <i>Competition and Consumer Act 2010</i> (Cth).
condition precedent	each of the conditions set out in clause 3.1.

Term	Meaning
Confidentiality Deed	the Confidentiality Deed between FOXTEL Management and AUSTAR dated April 2011.
Consolidated Group	has the same meaning as in the Tax Act.
controlled entity	of an entity, any entity which the firstmentioned entity controls (as that term is defined in section 50AA of the Corporations Act).
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by AUSTAR, FOXTEL Management and Liberty.
CPI	the percentage increase in the Consumer Price Index, All Groups – Australia, as published by the Australian Bureau of Statistics, between the December quarter 2010 and the December quarter 2011.
Deed Poll	<ol style="list-style-type: none"> 1 if a Substitution Notice is not given, a deed poll to be entered into by Liberty, the Bidder, FOXTEL Management and FOXTEL Finco in the form attached as Attachment 4; or 2 if a Substitution Notice is given, a deed poll to be entered into by Liberty and the Bidder in the form attached as Attachment 5.
Disclosure Materials	<ol style="list-style-type: none"> 1 the documents and information contained in the data room and made available by AUSTAR and its Representatives to FOXTEL, the FOXTEL Partners and their respective Representatives, between 30 May 2011 and prior to FOXTEL entering into this deed, and which is noted in the most recent index to that data room provided to FOXTEL before it enters into this deed; and 2 the written answers given to FOXTEL, the FOXTEL Partners and their respective Representatives, between 30 May 2011 and prior to FOXTEL entering into this Deed, to requests for further information made by FOXTEL, the FOXTEL Partners and their respective Representatives.
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme.

Term	Meaning
Effective Date	the date on which the Scheme becomes Effective.
EGM	a general meeting of AUSTAR to be held immediately after the Scheme Meeting.
EGM Resolutions	<p>the following resolutions that are to be put to AUSTAR Shareholders at the EGM:</p> <ol style="list-style-type: none"> 1 a resolution approving for the purposes of section 260A(1)(b) of the Corporations Act, subject to the Scheme becoming Effective, the grant of financial assistance by AUSTAR to the Bidder pursuant to the Transaction Steps, including through the grant of a guarantee and the incurring of other obligations under the FOXTEL Funding Agreement and AUSTAR Charge or under any Substitute Funding Agreement and Substitute Security (as applicable); 2 a resolution approving for the purposes of section 208(1)(a)(i) of the Corporations Act, subject to the Scheme becoming Effective, the giving of a financial benefit to a related party of AUSTAR pursuant to the Transaction Steps, including through the grant of a guarantee and the incurring of other obligations under the FOXTEL Funding Agreement and AUSTAR Charge or under any Substitute Funding Agreement and Substitute Security (as applicable); 3 a resolution approving for the purposes of section 162(1)(a) of the Corporations Act, subject to the Scheme becoming Effective, AUSTAR changing its status from a public company limited by shares to a proprietary company pursuant to the Transaction Steps; and 4 any resolutions that may be required by the ASX pursuant to the Listing Rules.
Encumbrance	<p>an interest or power:</p> <ol style="list-style-type: none"> 1 reserved in or over an interest in any asset including any retention of title; or 2 created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, <p>by way of security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes any agreement to grant or create any of the above.</p>
End Date	29 February 2012 (or such other date as AUSTAR, FOXTEL Management and Liberty agree in writing).
Escrow Account	the corporate trust account in the name of the Escrow Agent as trustee under the Escrow Deed at Australia and New Zealand Banking Group Limited, or at such other bank agreed by the parties to the Escrow Deed from time to time.

Term	Meaning
Escrow Agent	Computershare Investor Services Pty Limited ACN 078 279 277 (or such other person as AUSTAR, FOXTEL Management and Liberty agree in writing).
Escrow Deed	a deed in the form agreed between FOXTEL Finco, the Bidder and the Escrow Agent, and to be entered into by them if a Substitution Notice is not given, setting out the terms of operation of the Escrow Account.
Estimated Total Scheme Consideration	has the meaning given in clause 4.5(a).
Excluded Shareholder	United Austar Partners, United AUN LLC and any other AUSTAR Shareholder who, at any relevant time is a Liberty Group Member or any AUSTAR Shareholder to the extent that, at any relevant time, it holds AUSTAR Shares on behalf of, or for the benefit of, any Liberty Group Member.
Exclusivity Period	the period from and including the date of this deed to the earlier of: <ol style="list-style-type: none"> 1 the termination of this deed; and 2 the End Date.
FATA	the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth).
First Court Date	the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meeting is heard.
FOXTEL	Telstra Media and Sky Cable, when acting in their capacity as the partners of the FOXTEL Partnership, and FOXTEL Management, when acting in its capacity as agent for the FOXTEL Partnership, collectively.
FOXTEL Bidco	FOXTEL Australia Pty Limited ACN 151 691 753.
FOXTEL Finco	FOXTEL Finance Pty Limited ACN 151 691 897.
FOXTEL Funding	the funding by FOXTEL Finco of the Estimated Total Scheme Consideration in accordance with the FOXTEL Funding Agreement.
FOXTEL Funding Agreement	the agreement for the provision of the Scheme Funding by FOXTEL Finco, in a form agreed between AUSTAR, FOXTEL Management and Liberty, entered into by FOXTEL Finco, the Bidder and AUSTAR

Term	Meaning
	on or about the date of this deed.
FOXTEL Group	<p>1 the FOXTEL Partnership;</p> <p>2 Sky Cable and Telstra Media, each in any capacity;</p> <p>3 any subsidiary of the FOXTEL Partnership, Sky Cable or Telstra Media (each in any capacity), or any body in respect of which any two or more of them collectively (directly or indirectly):</p> <ul style="list-style-type: none"> • control the composition of the body's board; • are in a position to cast, or control the casting of, more than one half of the maximum number of votes that might be cast at a general meeting of the body; or • hold more than one half of the issued share capital of the body (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); <p>4 any entity controlled by the FOXTEL Partnership, Sky Cable or Telstra Media (each in any capacity) or collectively controlled (as that term is defined in section 50AA of the Corporations Act, disregarding subsection (3)) by any two or more of them; and</p> <p>5 any partnership between two or more of the entities listed in items 1, 2, 3 or 4 above,</p> <p>including the FOXTEL Television Partnership, FOXTEL Management (in any capacity), FOXTEL Bidco, FOXTEL Finco, FOXTEL Holdings Pty Limited ACN 151 690 327, Customer Services Pty Limited ACN 069 272 117, FOXTEL Cable Television Pty Limited ACN 069 008 797, Artist Services Cable Management Pty Limited ACN 072 725 289 and The Racing Channel Cable-TV Pty Limited ACN 069 619 307, and a reference to a FOXTEL Group Member is to any member of the FOXTEL Group.</p>
FOXTEL Information	<p>information regarding the FOXTEL Group or any FOXTEL Partner Group provided by FOXTEL to AUSTAR and/or Liberty in writing for inclusion in the Scheme Booklet, including information in relation to the funding of the Scheme Consideration (if a Substitution Notice has not been given) and FOXTEL's intentions in relation to the AUSTAR Group and its business, but excluding any information which FOXTEL obtained from or based on:</p> <p>1 Liberty Information provided to FOXTEL, to the extent it accurately reflects that Liberty Information; or</p> <p>2 AUSTAR's public filings on ASX regarding the AUSTAR Group, to the extent that it accurately reflects those public filings.</p> <p>For the avoidance of doubt, FOXTEL Information does not include Liberty Information or AUSTAR Information, but does include representations provided by FOXTEL to AUSTAR for inclusion in the Scheme Booklet pursuant to clause 5.3(k).</p>
FOXTEL Partner	each of:

Term	Meaning
	<ol style="list-style-type: none"> 1 Consolidated Media Holdings Limited ACN 009 071 167; 2 News Corporation, a Delaware corporation; and 3 Telstra Corporation Limited ACN 051 775 556.
FOXTEL Partner Deeds Poll	the three deeds poll entered into by Consolidated Media Holdings Limited, News Australia Holdings Pty Limited ACN 105 197 028 and Telstra Corporation Limited, respectively, in favour of AUSTAR and Liberty on or about the date of this deed and relating to, among other things, arrangements to endeavour to procure the satisfaction of the condition precedent in clause 3.1(a)(1).
FOXTEL Partner Group	in respect of each FOXTEL Partner, that FOXTEL Partner and its subsidiaries and controlled entities (and in the case of the FOXTEL Partner Group of each of Consolidated Media Holdings Limited and News Corporation, includes Premier Media Group Pty Limited ACN 065 445 418 and its subsidiaries and controlled entities) but excluding any FOXTEL Group Member (other than Sky Cable and Telstra Media) and a reference to a FOXTEL Partner Group Member is to any member of the relevant FOXTEL Partner Group.
FOXTEL Partner Group Business	in respect of a FOXTEL Partner, the business of the corporate group comprising the relevant FOXTEL Partner Group as at the date of this deed and the Merged FOXTEL – AUSTAR Group as if owned on the date of this deed and part of that FOXTEL Partner's corporate group.
FOXTEL Partnership	the FOXTEL Partnership, a partnership between Telstra Media and Sky Cable under a partnership agreement dated 14 April 1997 (as amended and restated on 3 December 1998).
FOXTEL Released Parties	FOXTEL, each other FOXTEL Group Member, each FOXTEL Partner Group Member, and their respective directors, officers and employees.
FOXTEL Warranties	the representations and warranties set out in Schedule 1.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
Implementation	the transfer of the Scheme Shares to the Bidder pursuant to the Scheme.
Implementation Date	the second Business Day after the Scheme Record Date or such

Term	Meaning
	other day as AUSTAR, FOXTEL Management and Liberty agree in writing.
Independent Director AUSTAR Share	any AUSTAR Share: <ol style="list-style-type: none"> 1 held by or on behalf of an Independent Director of AUSTAR; or 2 listed as an indirect interest in an Appendix 3X or 3Y lodged by AUSTAR for an Independent Director of AUSTAR and in respect of which interest the Independent Director controls (directly or indirectly) the exercise of voting rights attaching to the relevant AUSTAR Share.
Independent Directors	the independent directors of AUSTAR, being as at the date of this deed Messrs Timothy D Downing and Roger M Amos.
Independent Expert	the independent expert in respect of the Transaction (including the Scheme) appointed by AUSTAR.
Independent Expert's Report	the report to be issued by the Independent Expert in respect of the Transaction (including the Scheme).
Insolvency Event	with respect to an entity: <ol style="list-style-type: none"> 1 an administrator is appointed, or any steps are taken to appoint an administrator, to the entity; 2 a liquidator or a provisional liquidator is appointed, or any steps are taken to appoint a liquidator or a provisional liquidator in respect of the entity (unless, in the case of an application or step taken, the application or step taken is frivolous or vexatious and the application or step taken is withdrawn within 20 Business Days); 3 an application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting, an application to a court is made or other steps are taken: <ul style="list-style-type: none"> • for the winding up, dissolution or deregistration of the entity; or • in relation to the entry into of any arrangement, composition or compromise with, or assignment for the benefit of, any of its creditors or a class of them, (unless, in the case of an application or step taken, the application or step taken is frivolous or vexatious and the application or step taken is withdrawn within 20 Business Days); 4 the entity: <ul style="list-style-type: none"> • ceases, suspends or threatens to cease or suspend the conduct of its business; • is, or under the Corporations Act is presumed, deemed or taken to be, insolvent (other than as the result of a failure to pay a debt or claim the subject of a good faith dispute); • is, or states that it is, insolvent or unable to pay its debts when

Term	Meaning
	<p>they are due;</p> <ul style="list-style-type: none"> • stops or suspends or threatens to stop or suspend payment of all or a class of its debts; • takes any steps to obtain protection or is granted protection from its creditors under the laws of any applicable jurisdiction; • is wound up or dissolved; • is deregistered, or any steps are taken for its deregistration; or • implements a creditors scheme of arrangement with any person; <p>5 any of:</p> <ul style="list-style-type: none"> • an official manager, administrator, receiver, receiver and manager, other controller, trustee in bankruptcy or any similar official is appointed, or any steps are taken to appoint any such person, to; • any security interest is enforced or becomes capable of being enforced against; or • a distress, attachment, execution or other process of a Government Agency is issued against, levied, entered upon or enforced over, <p>the entity or over any asset or assets of the entity with an aggregate value exceeding \$25 million (as the case may be); or</p> <p>6 in the case of Century Programming Ventures Corp. or Liberty, any analogous event under the laws of the United States of America or of a constituent state or territory of the United States of America.</p>
IRS	the United States Internal Revenue Service.
Liberty Confidentiality Deed	the confidentiality deed between Liberty and FOXTEL dated on or about 25 May 2011.
Liberty Group	Liberty and each of its subsidiaries and controlled entities, excluding the AUSTAR Group Members, and a reference to a Liberty Group Member is to any member of the Liberty Group.
Liberty Information	<p>information regarding the Liberty Group provided by Liberty to AUSTAR in writing for inclusion in the Scheme Booklet, excluding any information which Liberty obtained from or based on:</p> <ol style="list-style-type: none"> 1 FOXTEL Information provided to Liberty, to the extent that it accurately reflects that FOXTEL Information; or 2 AUSTAR's public filings on ASX regarding the AUSTAR Group, to the extent that it accurately reflects those public filings. <p>For the avoidance of doubt, Liberty Information does not include FOXTEL Information or AUSTAR Information, but does include representations provided by Liberty to AUSTAR for inclusion in the Scheme Booklet pursuant to clause 5.2(m) and, if a Substitution</p>

Term	Meaning
	Notice has been given, information in relation to the funding of the Scheme Consideration.
Liberty Management Agreement	the management services agreement between Liberty Global Services, LLC, AEPL and AUSTAR dated 14 December 2010.
Liberty Released Parties	Liberty, each other Liberty Group Member, and their respective directors, officers and employees.
Liberty Restructure and Sale Deed	the document by the same name between the parties to this deed (other than Bidder) and certain other entities and entered into on or about the date of this deed.
Liberty Warranties	the representations and warranties of Liberty set out in Schedule 2.
Listing Rules	the official listing rules of the ASX.
Merged FOXTEL – AUSTAR Group	the notional corporate group comprising the FOXTEL Group and the AUSTAR Group following implementation of the Transaction.
Minority Shareholders	AUSTAR Shareholders (other than Excluded Shareholders) from time to time.
Operating Rules	the official operating rules of the ASX.
Regulator's Draft	the draft of the Scheme Booklet in a form acceptable to AUSTAR, Liberty and FOXTEL Management (each acting reasonably) which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.
Regulatory Approval	the approvals set out in clause 3.1(a).
Reimbursement Fee	\$19,326,500.
Representative	in respect of a body corporate, each director, officer, employee, advisor, agent or representative of that body corporate.
RG 60	Regulatory Guide 60 issued by ASIC on 11 December 2009 relating to schemes of arrangement, the application of section 411(17) of the Corporations Act and ASIC review of schemes of arrangement.

Term	Meaning
Scheduled Second Court Date	has the meaning given in clause 4.5(a).
Scheme	<p>the scheme of arrangement under Part 5.1 of the Corporations Act between AUSTAR and the Scheme Shareholders, as described in clause 4.1 and:</p> <ol style="list-style-type: none"> 1 if a Substitution Notice has not been given, in a form attached as Attachment 2, or 2 if a Substitution Notice has been given, in a form attached as Attachment 3, <p>subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by AUSTAR, Liberty and FOXTEL Management.</p>
Scheme Account	an Australian dollar denominated trust account operated by AUSTAR in accordance with the Scheme.
Scheme Booklet	the booklet described in clause 5.1(a) to be approved by the Court and despatched to the AUSTAR Shareholders and which must include the Scheme, an explanatory statement complying with the requirements of the Corporations Act, the Corporations Regulations, RG 60 and the Listing Rules, the Independent Expert's Report, a tax letter prepared by AUSTAR's tax adviser, a notice of meeting and proxy form for the Scheme Meeting and a notice of meeting, explanatory statement and proxy form for the EGM.
Scheme Consideration	the consideration to be provided by the Bidder to each Scheme Shareholder for the transfer to the Bidder of each Scheme Share, being \$1.52 per Scheme Share, as reduced by the per share cash amount or value of any dividend, return of capital or other distribution by AUSTAR to AUSTAR Shareholders, the record date for which falls between the date of this deed and the Implementation Date (both dates inclusive).
Scheme Financier	FOXTEL Finco or, if a Substitution Notice has been given, the Substitute Financier.
Scheme Funding	the funding by Scheme Financier of the Estimated Total Scheme Consideration or (if a Substitution Notice has been given) the Total Scheme Consideration, in accordance with the relevant Scheme Funding Agreement.
Scheme Funding Agreement	<ol style="list-style-type: none"> 1 If a Substitution Notice is not given, the FOXTEL Funding Agreement; or 2 if a Substitution Notice is given, the Substitute Funding Agreement.

Term	Meaning
Scheme Meeting	the meeting of Minority Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.
Scheme Record Date	7.00pm on the fifth Business Day after the Effective Date or such other day as AUSTAR, FOXTEL Management and Liberty agree in writing.
Scheme Share	an AUSTAR Share held by a Scheme Shareholder as at the Scheme Record Date.
Scheme Shareholders	Minority Shareholders as at the Scheme Record Date.
Second Court Date	the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard.
Sensitive Confidential Information	information of a party that is confidential and that the party reasonably believes: <ul style="list-style-type: none"> 1 is or is likely to be of a commercially sensitive nature; or 2 the disclosure of which would be likely to be damaging to the commercial or legal interests of it or any subsidiary of it.
Share Register	the register of members of AUSTAR maintained in accordance with the Corporations Act.
subsidiary	has the meaning given in the Corporations Act and also includes an entity that would be a subsidiary (within the meaning given in the Corporations Act) of another entity were both entities bodies corporate.
Substitute Financier	the substitute financier or financiers specified by Liberty in the Substitution Notice.
Substitute Funding Agreement	the loan facility agreement for the provision of the Scheme Funding by Substitute Financier to Bidder specified in the Substitution Notice.
Substitute Security	any guarantee, charge or other security provided by AUSTAR to secure to the Substitute Financier the payment of the Scheme Funding, and any other obligations that AUSTAR agrees to incur in connection with the Scheme Funding, as contemplated by clause 4.4(d)(3).
Substitution Notice	a notice given by Liberty in accordance with clause 4.4.

Term	Meaning
Superior Proposal	<p>a bona fide proposal for a Competing Transaction (and not resulting from a breach by AUSTAR of its obligations under clause 10) which the Independent Directors, acting in good faith and in order to satisfy what they consider to be their fiduciary or statutory duties (having first taken written advice from their external financial and legal advisers), determine:</p> <ol style="list-style-type: none"> 1 can reasonably be valued and completed in a timely manner taking into account all aspects of the Competing Transaction; and 2 is more favourable both to AUSTAR Shareholders as a whole and to the Liberty Group than the Transaction taking into account all the terms of the Competing Transaction, <p>and in determining whether a Competing Transaction is a Superior Proposal, the Independent Directors must have regard to its price, structure, conditionality, availability of finance and likelihood of success (including Liberty's likely response to the Competing Transaction).</p>
Tax Act	the <i>Income Tax Assessment Act 1997</i> (Cth).
Third Party	a person other than a FOXTEL Group Member, a FOXTEL Partner Group Member, a Liberty Group Member and their respective associates.
Timetable	the indicative timetable for the implementation of the Transaction set out in Attachment 1.
Total Scheme Consideration	an amount equal to the aggregate amount of Scheme Consideration payable to all Scheme Shareholders under the Scheme.
Transaction	the acquisition of AUSTAR by the FOXTEL Group in accordance with the Transaction Documents, including the intermediate acquisition of the Scheme Shares by the Bidder through implementation of the Scheme in accordance with the terms of this deed.
Transaction Document	<p>each of:</p> <ol style="list-style-type: none"> 1 this deed; 2 the Scheme; 3 the Deed Poll; 4 the Liberty Restructure and Sale Deed; 5 each of the FOXTEL Partner Deeds Poll; 6 any Substitution Notice; 7 the Scheme Funding Agreement; 8 the AUSTAR Charge or Substitute Security (as applicable); 9 the commitment deeds poll given on or about the date of this

Term	Meaning
	<p>deed by each of Consolidated Media Holdings Limited, News Australia Holdings Pty Limited and Telstra Corporation Limited;</p> <p>10 the Confidentiality Deed;</p> <p>11 the Liberty Confidentiality Deed;</p> <p>12 the termination agreement between Liberty Global Services, LLC, AEPL and AUSTAR relating to the Liberty Management Agreement;</p> <p>13 the buy-back deed between AUSTAR and the Bidder;</p> <p>14 the Escrow Deed; and</p> <p>15 any document to be entered into in accordance with the terms of the above documents.</p>
Transaction Steps	the steps required to implement the Transaction in its entirety, as set out in this deed and the Liberty Restructure and Sale Deed.
UGC Australia	UGC Australia BV, a company registered in the Netherlands.

1.2 Interpretation

In this deed, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Government Agency;
- (e) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to this deed, and a reference to this deed includes any attachment, exhibit and schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) a reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing;
- (h) a reference to any document (including this deed) is to that document as varied, novated, ratified or replaced from time to time, except to the extent prohibited by this deed or that other document;
- (i) the word "includes" in any form is not a word of limitation;

- (j) a reference to "\$", "A\$" or "dollar" is to Australian currency;
- (k) a reference to any time is, unless otherwise indicated, a reference to the time in Sydney, New South Wales;
- (l) a reference to a Substitution Notice being given is a reference to Liberty giving a Substitution Notice in accordance with (including within the time contemplated under) clauses 4.4(a) and 15.4 and a reference to a Substitution Notice not being given includes a reference to Liberty giving a Substitution Notice other than in accordance with (including outside the time contemplated under) clauses 4.4(a) and 15.4;
- (m) a reference to the Listing Rules and Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party; and
- (n) a promise made in favour of two or more parties is made to them severally.

1.3 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4 Contra proferentem excluded

No term or condition of this deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this deed or a provision of it.

2 Agreement to proceed with the Transaction

2.1 Transaction

The parties agree to implement the Transaction in accordance with the Transaction Documents.

2.2 Scheme

- (a) AUSTAR agrees to propose the Scheme on and subject to the terms of this deed.
- (b) Each of FOXTEL, Liberty and Bidder agrees with AUSTAR to assist AUSTAR to propose the Scheme, on and subject to the terms of this deed.

3 Conditions precedent and pre-implementation steps

3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective, and clause 4.3 is not binding, until each of the following conditions precedent is satisfied or waived to the extent and in the manner set out in clause 3.5.

- (a) **Regulatory Approvals:** before 8:00am on the Second Court Date:
- (1) **ACCC:** one of the following has occurred:
- (A) FOXTEL has received written notice from the ACCC to the effect that the ACCC does not propose to oppose, intervene or seek to prevent the implementation of the Transaction under or by reference to section 50 of the Competition Act, which notification is either unconditional or is on or requires conditions or undertakings acceptable to:
- (i) FOXTEL acting reasonably in the interests of the Merged FOXTEL – AUSTAR Group's business taken as a whole; and
- (ii) each FOXTEL Partner acting reasonably in the interests of its FOXTEL Partner Group Business to the extent that any such conditions or undertakings may affect its FOXTEL Partner Group Business;
- (B) FOXTEL is granted clearance or authorisation to implement the Transaction by the ACCC or the Australian Competition Tribunal, unless revoked or stayed, which clearance or authorisation is either unconditional or is on or requires conditions or undertakings acceptable to:
- (i) FOXTEL acting reasonably in the interests of the Merged FOXTEL – AUSTAR Group's business taken as a whole; and
- (ii) each FOXTEL Partner acting reasonably in the interests of its FOXTEL Partner Group Business to the extent that any such conditions or undertakings may affect its FOXTEL Partner Group Business; or
- (C) the Federal Court of Australia or any other competent Australian court has made a declaration that the implementation of the Transaction would not contravene the Competition Act either unconditionally or is on or requires conditions or undertakings that would be acceptable to:
- (i) FOXTEL acting reasonably in the interests of the Merged FOXTEL – AUSTAR Group's business taken as a whole; and
- (ii) each FOXTEL Partner acting reasonably in the interests of its FOXTEL Partner Group Business to the extent that any such conditions or undertakings may affect its FOXTEL Partner Group Business;

(In determining whether a condition or undertaking (or potential condition or undertaking) is acceptable for the purpose of this clause 3.1(a)(1), FOXTEL and the relevant FOXTEL Partners may only take into account the effect or likely effect of the condition or undertaking (when aggregated with the effect or likely effect of other conditions or undertakings relating to the Transaction, if any) on the Merged FOXTEL – AUSTAR Group's business taken as a whole or the relevant FOXTEL Partner Group Business (respectively), and not any other collateral or extraneous considerations.)

- (2) **FIRB:** with respect to each of the relevant FOXTEL Group Members, FOXTEL Partner Group Members, AUSTAR Group Members and Liberty Group Members, one of the following has occurred:
- (A) it has received a written notice under the FATA, by or on behalf of the Treasurer of the Commonwealth of Australia stating that the Commonwealth Government does not object to any acquisition by it in relation to the Transaction, either unconditionally or on terms that are acceptable to FOXTEL Management, AUSTAR or Liberty (as appropriate) acting reasonably; or
- (B) the Treasurer of the Commonwealth of Australia becomes precluded from making an order in relation to any acquisition by it in relation to the Transaction contemplated by it under the FATA;
- (3) **IRS:** Liberty receives a private letter ruling from the IRS acceptable to it (in its absolute discretion) relating to the United States federal income tax treatment of the Transaction (which private letter ruling has not been withdrawn, invalidated or modified in an adverse manner) and no written representation, qualification or assumption made to the IRS in obtaining that private letter ruling ceases to apply as a result of changes in law, regulation or accounting standards announced or introduced between the date of this deed and 8:00am on the Second Court Date; and
- (4) **other:** any ASX or Government Agency relief, approvals or consents are obtained, and ASX does such other acts, as are necessary to implement the Transaction,
- (together **Regulatory Approvals**).
- (b) **Court approval:** The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
- (c) **Shareholder approval:** Minority Shareholders agree to the Scheme at the Scheme Meeting by the requisite majorities under the Corporations Act.
- (d) **Restraints:** No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency or other material legal restraint or prohibition preventing the Transaction is in effect at 8.00am on the Second Court Date.
- (e) **AUSTAR Material Adverse Change:** No AUSTAR Material Adverse Change occurs between the date of this deed and 8.00am on the Second Court Date.
- (f) **AUSTAR Prescribed Occurrence:** No AUSTAR Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date.
- (g) **Independent Expert's Report:** The Independent Expert's Report concludes that the Scheme is in the best interests of Minority Shareholders and that report is not withdrawn or varied adversely prior to 8.00am on the Second Court Date.
- (h) **EGM resolutions:** Before 8.00am on the Second Court Date, AUSTAR Shareholders approve each of the EGM Resolutions at the EGM by the requisite majorities.

3.2 Reasonable endeavours and satisfaction of conditions precedent

- (a) AUSTAR must:
- (1) ensure that no AUSTAR Prescribed Occurrence (except, without limiting clause 3.2(a)(2), an Insolvency Event with respect to AUSTAR

- or any AUSTAR Material Subsidiary) occurs between the date of this deed and the Effective Date; and
- (2) use its reasonable endeavours, acting proactively, in good faith and in a timely manner to procure that no occurrences within the control of an AUSTAR Group Member take place that would cause an AUSTAR Material Adverse Change or an Insolvency Event with respect to AUSTAR or any AUSTAR Material Subsidiary to occur between the date of this deed and the Effective Date.
- (b) Liberty must use its reasonable endeavours, acting proactively, in good faith and in a timely manner to procure that no occurrences within the control of a Liberty Group Member solely in its capacity as an AUSTAR Shareholder take place that would cause an AUSTAR Material Adverse Change or an AUSTAR Prescribed Occurrence to occur between the date of this deed and the Effective Date. For these purposes, decisions, acts or omissions by any director of an AUSTAR Group Member will not be an occurrence within the control of a Liberty Group Member, and this clause 3.2(b) does not require any Liberty Group Member to cause the removal of, or to give any directions or instructions to, any director of any AUSTAR Group Member.
 - (c) FOXTEL must use its reasonable endeavours, acting proactively, in good faith and in a timely manner to procure that the conditions precedent in clauses 3.1(a)(1) and 3.1(a)(2) (as it relates to the relevant FOXTEL Group Members' or FOXTEL Partner Group Members' notification under the FATA) are satisfied as soon as reasonably practicable and in any event before the End Date.
 - (d) Liberty must use its reasonable endeavours, acting proactively, in good faith and in a timely manner to procure that the conditions precedent in clauses 3.1(a)(2) (as it relates to the relevant Liberty Group Members' and AUSTAR Group Members' notifications under the FATA) and 3.1(a)(3) are satisfied as soon as reasonably practicable and in any event before the End Date.
 - (e) AUSTAR must provide any assistance reasonably requested by Liberty with respect to its obligations under clause 3.2(d) as they relate to the relevant AUSTAR Group Members' notification under the FATA.
 - (f) Each party must:
 - (1) use its respective reasonable endeavours, acting proactively, in good faith and in a timely manner to procure that the conditions precedent in clauses 3.1(a)(4), 3.1(b), 3.1(c), 3.1(d), 3.1(g) and 3.1(h) are satisfied as soon as reasonably practicable and in any event before the End Date; and
 - (2) otherwise cooperate with, and provide reasonable assistance to, each other party or parties responsible for satisfaction of each condition precedent.

3.3 Regulatory Approvals – ACCC

- (a) For the purposes of clause 3.2(c), FOXTEL will be taken to have satisfied the obligation under that clause to use reasonable endeavours solely insofar as that obligation relates to the acceptance or non-acceptance by it or any FOXTEL Partner of actual or potential conditions by, or undertakings to, the ACCC, if it or the FOXTEL Partner (as applicable) complies with the last paragraph of clause 3.1(a)(1).
- (b) For purposes of the reasonable endeavours obligation in clause 3.2(c) and the requirement to act reasonably in clause 3.1(a)(1), FOXTEL or a FOXTEL Partner would not be using reasonable endeavours or acting reasonably (as

appropriate) if it took into account any matters other than just the effect or likely effect of the condition or undertaking on the Merged FOXTEL – AUSTAR Group's business taken as a whole or the relevant FOXTEL Partner Group Business (as the case may be).

- (c) FOXTEL must keep AUSTAR informed of the progress towards satisfaction of the condition precedent in clause 3.1(a)(1) and, except to the extent prohibited by the ACCC, each of FOXTEL and AUSTAR must:
- (1) promptly notify, and provide copies to each other, of all communications between either of them and the ACCC; and
 - (2) consult, and provide the other with a draft copy of any submissions or other proposed correspondence, a reasonable time before sending the submission or correspondence to the ACCC.

However, a party is not required to disclose Sensitive Confidential Information, provided that if:

- (3) such Sensitive Confidential Information is contained in a document required to be provided by a party to another under clause 3.3(c)(1) or 3.3(c)(2), the party may redact all such information but must provide the document to the other party; and
 - (4) such Sensitive Confidential Information is not contained in a document, the party must in complying with clause 3.3(c)(1) or 3.3(c)(2), to the extent possible without disclosing such information, provide the other party with sufficient detail of the topic and content of the communication or correspondence to enable it to understand the context and relevance of the information to FOXTEL's endeavours to satisfy the condition precedent.
- (d) FOXTEL (on the one hand) and AUSTAR (on the other hand) must each allow up to 2 legal representatives (including either or both of internal and external legal representatives) of the other the opportunity to be present as observers at any meetings with the ACCC unless agreed otherwise between them, acting in good faith and reasonably, or unless required otherwise by the ACCC. Observers of a party must leave the meetings on the request of the other party where discussions relate to Sensitive Confidential Information. This clause 3.3(d) does not apply to any meetings between a FOXTEL Partner Group Member and the ACCC other than when that FOXTEL Partner Group Member is expressly acting for and on behalf of the FOXTEL Partnership or any other FOXTEL Group Member.
- (e) FOXTEL must promptly inform AUSTAR of all matters of which the chief executive officer of FOXTEL or any of his direct reports have been informed by a FOXTEL Partner Group Member that are directly relevant to the Transaction and have been discussed between a member of the same FOXTEL Partner Group as that FOXTEL Partner Group Member and the ACCC, unless required otherwise by the ACCC. Nothing in this clause 3.3(e) obliges FOXTEL to disclose Sensitive Confidential Information of a FOXTEL Partner Group Member.

3.4 Regulatory Approvals – FIRB, IRS and other

- (a) Subject to clause 3.4(b), FOXTEL and Liberty must provide copies of their respective applications and notifications under the FATA to each other party and regular updates on the progress of their respective approvals. For the avoidance of doubt, the application and notification relating to the AUSTAR Group will form part of the applications and notifications prepared and lodged by Liberty.

- (b) In complying with clause 3.4(a), a party is not required to disclose Sensitive Confidential Information, provided that if such Sensitive Confidential Information is contained in a document required to be provided by a party to another under clause 3.4(a), the party may redact all such information but must provide the document to the other party.
- (c) Liberty must provide regular updates to FOXTEL Management as to the status of the private letter ruling from the IRS. Liberty must also give FOXTEL Management:
 - (1) a copy of its initial ruling application;
 - (2) copies of any correspondence with the IRS to the extent it concerns elements of the transaction structure affecting FOXTEL or contains representations, qualifications or assumptions made to the IRS in obtaining that private letter ruling; and
 - (3) a copy of the final ruling, promptly upon receipt by Liberty,except that Liberty is not required to disclose Sensitive Confidential Information. Liberty's obligation to provide copies of correspondence under paragraphs (2) and (3) survives any waiver by it of the condition precedent in clause 3.1(a)(3).
- (d) The parties must provide regular updates to each other on the progress of any incidental relief, approvals or consents to which clause 3.1(a)(4) apply.

3.5 Waiver of conditions precedent

- (a) The conditions precedent in clauses 3.1(a) (except clauses 3.1(a)(3)), 3.1(b), 3.1(c) and 3.1(d) cannot be waived.
- (b) The conditions precedent in clauses 3.1(g) and 3.1(h) are for the benefit of all of the parties and any breach or non-fulfilment of either condition precedent may only be waived with the written consent of all of the parties (each in its absolute discretion).
- (c) The conditions precedent in clauses 3.1(e) and 3.1(f) are for the sole benefit of FOXTEL and may only be waived by FOXTEL (in its absolute discretion) in writing.
- (d) The condition precedent in clause 3.1(a)(3) is for the sole benefit of Liberty and may only be waived by Liberty (in its absolute discretion) in writing.
- (e) If a party waives the breach or non-fulfilment of any of the conditions precedent, that waiver does not prevent it from suing another party for any breach of this deed that resulted in the breach or non-fulfilment of the condition precedent.
- (f) Waiver of a breach or non-fulfilment in respect of one condition precedent does not constitute:
 - (1) a waiver of breach or non-fulfilment of any other condition precedent resulting from the same event; or
 - (2) a waiver of breach or non-fulfilment of that condition precedent resulting from any other event.

3.6 Certain notices

- (a) If, before the time specified for satisfaction of a condition precedent, an event that will prevent that condition precedent being satisfied occurs, the party with knowledge of that event must promptly give the other parties written notice of that event.

- (b) Each party must promptly upon becoming aware, advise each other party orally and in writing of any change or event causing, or which, so far as can reasonably be foreseen, would cause:
- (1) a representation or warranty provided in this deed by any party to be false;
 - (2) non-fulfilment of any of the conditions precedent; or
 - (3) a material breach of this deed by any party.

3.7 Shareholder Approval

If the Scheme is not approved by a majority in number of Minority Shareholders present and voting (in person or by proxy) at the Scheme Meeting (*headcount test*), that fact will not of itself be treated as preventing the condition precedent in clause 3.1(c) from being satisfied, and AUSTAR must, unless its counsel certifies after due enquiry by AUSTAR that there are no reasonable prospects of success on such an application, do everything it reasonably can to obtain Court approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act, and an order of the Court in accordance with section 411(4)(a)(ii)(A) of the Corporations Act that the headcount test need not be satisfied, and must consult and co-operate fully with the other parties in that regard.

4 Scheme steps

4.1 Scheme

AUSTAR must propose a scheme of arrangement under which all of the Scheme Shares will be transferred to the Bidder and the Scheme Shareholders will be entitled to receive the Scheme Consideration.

4.2 No amendment to the Scheme without consent

AUSTAR must not consent to any modification of, or amendment to, or the making or imposition by a court of any condition in respect of, the Scheme without the prior written consent of each of FOXTEL Management and Liberty (each in its absolute discretion).

4.3 Scheme Consideration

Each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder.

4.4 Substitution Notice

- (a) At any time prior to 5:00pm on the day that is 7 Business Days after the later of:
- (1) the date on which Liberty receives a private letter ruling from the IRS acceptable to it (in its absolute discretion) relating to the United States federal income tax treatment of the Transaction or waives the condition in clause 3.1(a)(3); and
 - (2) the date on which the parties are satisfied that the condition in clause 3.1(a)(1) has been satisfied.

Liberty may give a Substitution Notice to FOXTEL Management and AUSTAR.

- (b) A Substitution Notice must set out:
- (1) the name of the Substitute Financier;

- (2) a description of the Substitute Funding Agreement and any Substitute Security; and
 - (3) a confirmation from Liberty that with the Substitute Funding Agreement it has financing commitments available to it on a certain funds basis sufficient to enable Bidder to comply with its obligations to pay the Total Scheme Consideration in accordance with the Scheme and the Deed Poll.
- (c) If a Substitution Notice is not given, then AUSTAR will execute the AUSTAR Charge in favour of FOXTEL Finco as contemplated by the Timetable.
- (d) If a Substitution Notice is given, then:
- (1) the obligation of FOXTEL Finco to provide the Loan (as defined in the FOXTEL Funding Agreement) to the Bidder shall immediately be cancelled in accordance with the terms of the FOXTEL Funding Agreement, the Bidder and AUSTAR are discharged from any further obligations under the FOXTEL Funding Agreement and AUSTAR is discharged from any obligation to execute the AUSTAR Charge;
 - (2) before the First Court Date:
 - (A) the Bidder will enter into a Substitute Funding Agreement in the form reasonably requested by Liberty and provide a copy of the Substitute Funding Agreement to FOXTEL Management; and
 - (B) if AUSTAR is expressed to be a party to the Substitute Funding Agreement, AUSTAR will enter into a Substitute Funding Agreement in the form reasonably requested by Liberty, but only if the Substitute Funding Agreement does not provide for AUSTAR to incur any obligations until on or after the later of 14 days after the EGM Resolutions are approved and the time the Total Scheme Consideration is received into the Scheme Account;
 - (3) as contemplated by the Timetable, AUSTAR will grant any Substitute Security in favour of the Substitute Financier (or any security trustee acting on behalf of the Substitute Financier) in the form reasonably requested by Liberty and provide a copy of each Substitute Security to FOXTEL Management, but only if the Substitute Security does not provide for AUSTAR to Encumber any assets until on or after the later of 14 days after the EGM Resolutions are approved and the time the Total Scheme Consideration is received into the Scheme Account; and
 - (4) after the Implementation Date, AUSTAR will enter into all documents reasonably requested by Liberty to novate rights, powers, remedies and obligations in respect of the Substitute Funding Agreement to AUSTAR and on to any Liberty Group Member as contemplated by the Transaction Steps.
- For the avoidance of doubt, nothing in this clause 4.4(d) requires AUSTAR to enter into a Substitute Funding Agreement or grant a Substitute Security if entering into the transaction, or giving effect to the transaction, causes an Insolvency Event in relation to AUSTAR or any AUSTAR Material Subsidiary.
- (e) For the avoidance of doubt, the parties acknowledge that:
- (1) following completion of the Transaction, the FOXTEL Group will directly or indirectly own 100% of AUSTAR;
 - (2) it is an essential element of the Transaction that FOXTEL Finco provides the FOXTEL Funding in accordance with the FOXTEL

Funding Agreement and this deed if Liberty does not give a Substitution Notice; and

- (3) as a result, while it reserves the right to do so, there is no obligation on Liberty to give a Substitution Notice even if FOXTEL Finco fails to provide the FOXTEL Funding in accordance with the FOXTEL Funding Agreement and this deed.

4.5 Funding of Scheme Consideration

- (a) At least three Business Days before the Second Court Date, AUSTAR must give a notice confirming the scheduled Second Court Date (**Scheduled Second Court Date**) and setting out AUSTAR's estimate of the Total Scheme Consideration (**Estimated Total Scheme Consideration**) based on the total number of AUSTAR Shares held by Minority Shareholders as at a recent date to:
- (1) if a Substitution Notice has not been given, FOXTEL Management; or
- (2) if a Substitution Notice has been given, the Bidder and FOXTEL Management.
- (b) If a Substitution Notice has not been given:
- (1) FOXTEL must cause FOXTEL Finco to deposit into the Escrow Account before 2:00pm on the day one Business Day before the Scheduled Second Court Date an amount not less than the Estimated Total Scheme Consideration;
- (2) subject to FOXTEL complying with its obligations under paragraph (1) and AUSTAR giving the Escrow Agent a notice contemplated by clause 4.7(a)(3), Liberty and the Bidder must cause an amount equal to the lesser of:
- (A) the Estimated Total Scheme Consideration; and
- (B) the Total Scheme Consideration,
- to be transferred to the Scheme Account in sufficient time before the Implementation Date to enable AUSTAR to apply it towards payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account on the Implementation Date; and
- (3) if the Estimated Total Scheme Consideration is less than the Total Scheme Consideration, the Bidder must pay the difference into the Scheme Account in sufficient time before the Implementation Date to enable AUSTAR to apply it towards payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account on the Implementation Date.
- (c) If a Substitution Notice has been given, the Bidder must pay the Total Scheme Consideration into the Scheme Account in sufficient time before the Implementation Date to enable AUSTAR to pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account on the Implementation Date, in full satisfaction of all obligations of the Bidder and Liberty under this deed and the Deed Poll to pay the Scheme Consideration to each Scheme Shareholder in accordance with the Scheme.

4.6 Transfer of Scheme Shares and payment

In consideration of the transfer to the Bidder of each AUSTAR Share held by a Scheme Shareholder under the terms of the Scheme, on the Implementation Date and (if a Substitution Notice is not given) subject to receipt of the Estimated Total Scheme

Consideration into the Escrow Account as described in clause 4.5(b)), the Bidder will, and Liberty will procure the Bidder to:

- (a) accept that transfer; and
- (b) provide to, or procure the provision to, each Scheme Shareholder the Scheme Consideration for each Scheme Share,

in accordance with the terms of the Scheme and the Deed Poll.

4.7 Escrow

- (a) If a Substitution Notice has not been given, then:
 - (1) the Bidder must, and FOXTEL must procure that FOXTEL Finco, each execute an Escrow Deed in the relevant form with the Escrow Agent before the First Court Date;
 - (2) the Bidder and FOXTEL must, and FOXTEL must procure that FOXTEL Finco, each promptly give or join in giving all such instructions as are necessary to operate the Escrow Account and apply all amounts in that account in accordance with the provisions of this clause 4.7(a);
 - (3) AUSTAR must give the Escrow Agent an instruction in the form contemplated by the Escrow Deed and signed by an authorised signatory of AUSTAR attaching a copy of the Court order approving the Scheme as soon as possible after an office copy of the order has been lodged with ASIC in accordance with section 411(10) of the Corporations Act;
 - (4) the Escrow Agent will hold all rights to the amount deposited in the Escrow Account (being not less than the Estimated Total Scheme Consideration) on trust for FOXTEL Finco until such time as the Scheme becomes Effective, and after that time the lesser of the Estimated Total Scheme Consideration and the Total Scheme Consideration on trust for the Bidder;
 - (5) the Escrow Agent will hold all rights to all remaining amounts in the Escrow Account on trust for FOXTEL Finco;
 - (6) subject to clause 4.7(a)(7), clause 4.7(a)(8) and clause 4.7(a)(9), the Escrow Agent may only act if it receives an instruction from both the Bidder and FOXTEL Finco;
 - (7) upon receipt of the instruction contemplated by clause 4.7(a)(3), the Escrow Agent will be authorised to pay:
 - (A) an amount equal to the lesser of the Estimated Total Scheme Consideration and the Total Scheme Consideration to the Scheme Account in sufficient time before the Implementation Date to enable (together with any amount paid by the Bidder under clause 4.5(b)(3)) AUSTAR to pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account on the Implementation Date, in full satisfaction (together with any amount paid by the Bidder under clause 4.5(b)(3)) of all obligations of the Bidder and Liberty under this deed and the Deed Poll to pay the Scheme Consideration to each Scheme Shareholder in accordance with the Scheme; and
 - (B) following that payment, the remaining balance of the Escrow Account to FOXTEL Finco;

- (8) if this deed is terminated after the Estimated Total Scheme Consideration has been deposited into the Escrow Account, the Bidder must give, and FOXTEL must cause FOXTEL Finco to give, the Escrow Agent (with a copy to AUSTAR and each other) on the next Business Day an instruction in the form contemplated by the Escrow Deed to pay the balance of the Escrow Account to FOXTEL Finco;
 - (9) if the Scheme does not become Effective within 15 Business Days after the Second Court Date, FOXTEL may cause FOXTEL Finco to give the Escrow Agent (with a copy to AUSTAR and the Bidder) an instruction in the form contemplated by the Escrow Deed to pay the balance of the Escrow Account to FOXTEL Finco; and
 - (10) upon payment by the Escrow Agent in accordance with a direction under clause 4.7(a)(8) or 4.7(a)(9) the FOXTEL Funding Agreement and the AUSTAR Charge are terminated and FOXTEL must procure that FOXTEL Finco releases each Liberty Group Member and AUSTAR Group Member from all obligations under them for no further consideration.
- (b) Each of:
- (1) Liberty undertakes to FOXTEL that it will refrain (and procure that each other Liberty Group Member refrains);
 - (2) FOXTEL undertakes to Liberty that it will refrain (and procure that each other FOXTEL Group Member refrains); and
 - (3) AUSTAR undertakes to each of Liberty and FOXTEL that it will refrain (and procure that each other AUSTAR Group Member refrains),
- from taking any action, including by seeking any remedy, the purpose or effect of which is to prevent the Escrow Agent from complying with a valid direction given under the Escrow Deed.

5 Implementation

5.1 AUSTAR's obligations

AUSTAR must take, and must procure that each AUSTAR Group Member takes, all necessary steps to implement the Scheme and the Transaction Steps as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step and in the order set out in the Transaction Steps (and must consult FOXTEL Management and Liberty on a regular basis about its progress in that regard), including doing any acts it is authorised and able to do, on behalf of AUSTAR Shareholders, and including each of the following:

- (a) **preparation of Scheme Booklet:** prepare and despatch the Scheme Booklet in accordance with all applicable laws and in particular with the Corporations Act, the Corporations Regulations, RG 60 and the Listing Rules;
- (b) **accuracy of AUSTAR Information:** confirm to Liberty and FOXTEL Management the accuracy of the AUSTAR Information in the Scheme Booklet;
- (c) **directors' recommendation:** include in the Scheme Booklet:
 - (1) a statement by the Independent Directors unanimously recommending that Minority Shareholders vote in favour of the Scheme and all of the EGM Resolutions; and

- (2) a statement that each Independent Director will vote, or procure the voting of, any Independent Director AUSTAR Shares held by him or on his behalf at the time of the Scheme Meeting in favour of the Scheme and held at the time of the EGM in favour of the EGM Resolutions,

in each case, in the absence of any Superior Proposal and subject to the Independent Expert concluding that that the Scheme is in the best interests of Minority Shareholders (and it not varying adversely or withdrawing that conclusion);

- (d) **section 411(17)(b) statement:** apply to ASIC for the production of:
- (1) an indication of intent letter stating that it does not intend to appear before the Court on the First Court Date; and
- (2) a statement under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (e) **Court direction:** apply to the Court for orders pursuant to section 411(1) of the Corporations Act directing AUSTAR to convene the Scheme Meeting;
- (f) **ASIC relief:** if clause 8305 of Schedule 8 to the Corporations Regulations applies, apply to ASIC for its consent in writing to the Independent Expert's Report being included in the Scheme Booklet;
- (g) **ASIC registration:** arrange for ASIC to register the explanatory memorandum included in the Scheme Booklet under section 412(6) of the Corporations Act;
- (h) **update Scheme Booklet:** if it becomes aware of information after the Scheme Booklet has been sent to AUSTAR Shareholders that is material for disclosure to AUSTAR Shareholders in deciding whether to approve the Scheme or the EGM Resolutions or that is required to be disclosed to AUSTAR Shareholders under any applicable law, inform AUSTAR Shareholders of the information in an appropriate and timely manner, in accordance with applicable law, after consulting with FOXTEL Management and Liberty as to the content and presentation of that information;
- (i) **Proxy reports:** report to FOXTEL Management and Liberty the status of proxy forms received by the AUSTAR Registry for the Scheme Meeting and the EGM on an aggregated basis that does not identify individual AUSTAR Shareholders, as at 15, 12, 9, 6, 4 and 3 Business Days before the Scheme Meeting and the EGM and as at the deadline for receipt of proxy forms for the Scheme Meeting and the EGM;
- (j) **Scheme Meeting:** convene the Scheme Meeting to agree to the Scheme in accordance with the orders made by the Court pursuant to section 411(1) of the Corporations Act;
- (k) **EGM:** convene the EGM to consider and, if thought fit, approve the EGM Resolutions;
- (l) **dial-up telecommunications business:** before the hearing on the Second Court Date, provide to FOXTEL Management a certificate confirming that, consistently with AUSTAR's previously stated plans, as at 8.00am on the Second Court Date, AUSTAR does not operate a dial-up telecommunications business;
- (m) **Court documents:** consult FOXTEL Management and Liberty in relation to the content of the documents required for the purpose of each of the Court hearing held for the purpose of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions, certificates and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from FOXTEL

Management, Liberty and their respective Representatives on those documents;

- (n) **Court approval:** subject to all conditions precedent (other than the condition precedent in clause 3.1(b)) being satisfied or waived in accordance with this deed, apply to the Court for orders approving the Scheme as agreed to by the Minority Shareholders at the Scheme Meeting;
- (o) **certificate:** at the hearing on the Second Court Date provide to the Court a certificate confirming whether or not the conditions precedent, other than the condition precedent in clause 3.1(b), have been satisfied or waived in accordance with this deed;
- (p) **lodge copy of Court order:** lodge with ASIC an office copy of the Court order in accordance with section 411(10) of the Corporations Act approving the Scheme on the Business Day after such office copy is received;
- (q) **Scheme Consideration:** close the Share Register as at the Scheme Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme and the Deed Poll;
- (r) **registration:** subject to the Bidder having paid the Scheme Consideration in accordance with the Scheme and the Deed Poll, register all transfers of AUSTAR Shares held by Scheme Shareholders to the Bidder on or as soon as practicable after the Implementation Date;
- (s) **consultation with FOXTEL Management and Liberty:** consult FOXTEL Management and Liberty as to the content and presentation of the Scheme Booklet including:
 - (1) providing to FOXTEL Management and Liberty drafts of the Scheme Booklet and the Independent Expert's Report for the purpose of enabling FOXTEL Management and Liberty to review and comment on those draft documents. In relation to the Independent Expert's Report, FOXTEL Management and Liberty's review is to be limited to a factual accuracy review;
 - (2) taking all comments made by FOXTEL Management and Liberty into account in good faith when producing a revised draft of the Scheme Booklet;
 - (3) providing to FOXTEL Management and Liberty a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and to enable FOXTEL Management and Liberty to review the Regulator's Draft at least 2 Business Days before its submission; and
 - (4) obtaining written approval from FOXTEL Management and Liberty for the form and content in which the FOXTEL Information and the Liberty Information appears in the Scheme Booklet, respectively;
- (t) **information:** provide all necessary information, or procure that the AUSTAR Registry provides all necessary information, in each case in a form reasonably requested by FOXTEL Management or Liberty, about the Scheme, the Scheme Shareholders and AUSTAR Shareholders to FOXTEL Management, Liberty and their respective Representatives which FOXTEL Management or Liberty reasonably requires in order to facilitate the provision by, or on behalf of, the Bidder of the Scheme Consideration;
- (u) **ASIC and ASX review:** keep FOXTEL Management and Liberty informed of any matters raised by ASIC or (if applicable) the ASX in relation to the Scheme Booklet or the Transaction, and use reasonable endeavours to take into consideration in resolving such matters any issues raised by FOXTEL Management or Liberty;

- (v) **Independent Expert:** promptly appoint the Independent Expert to prepare the Independent Expert's Report and instruct the Independent Expert that its report consider whether:
- (1) the Scheme is in the best interests of AUSTAR Shareholders; and
 - (2) the Scheme is in the best interests of, and the acquisition of AUSTAR by FOXTEL Bidco and FOXTEL is fair to, Minority Shareholders,
- and provide assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet (including any updates to that report) and any other reports or materials to be prepared by the Independent Expert (including any updates to its reports), as soon as practicable;
- (w) **compliance with laws:** do everything reasonably within its power to ensure that the Scheme is effected in accordance with all laws and regulations applicable in relation to the Transaction;
- (x) **listing:** not do anything to cause AUSTAR Shares to cease being quoted on the ASX or to become permanently suspended from quotation prior to, and take all reasonable steps to ensure that such quotation is maintained up to, completion of the transfer of the Scheme Shares to the Bidder under the Scheme on the Implementation Date unless FOXTEL Management and Liberty have each agreed in writing. AUSTAR must apply for AUSTAR to be delisted from close of trading on the Business Day after the Implementation Date or as soon as practicable thereafter. The parties acknowledge that the suspension contemplated to occur on the Effective Date in the Timetable is not a permanent suspension for these purposes;
- (y) **information:** prepare and promptly provide to FOXTEL Management and Liberty any information regarding the AUSTAR Group that either reasonably requires to prepare the FOXTEL Information or the Liberty Information, respectively, for inclusion in the Scheme Booklet;
- (z) **EGM Resolutions:** lodge with ASIC all documents and notifications required by the Corporations Act with respect to the EGM Resolutions, including in relation to the giving of financial assistance by AUSTAR:
- (1) an ASIC Form 2601, together with the Scheme Booklet and accompanying documents before the Scheme Booklet is sent to AUSTAR Shareholders; and
 - (2) if that EGM Resolution is passed at the EGM, an ASIC Form 2205 and an ASIC Form 2602 on the date of the EGM;
- (aa) **Transaction Documents:** to the extent it has not already done so, execute (or procure execution by the relevant AUSTAR Group Member of) any Transaction Document to which it or any AUSTAR Group Member is a party, in accordance with the Transaction Steps and the Timetable; and
- (bb) **Consents:** co-operate with FOXTEL and use reasonable endeavours to identify and obtain before Completion under the Liberty Restructure and Sale Deed the consent or waiver (as applicable) of each person who would be entitled to:
- (1) take a step unfavourable (in any material respect) to the business of any AUSTAR Group Member in relation to any material agreement; or
 - (2) revoke or vary adversely any material consent, authorisation, registration, permission, licence, approval, authority or exemption of material importance of an AUSTAR Group Member from, by or with a Government Agency,

because of any Transaction Step (including as a result of any change in control of any AUSTAR Group Member). The obligation to use reasonable endeavours

to seek a consent or waiver under this clause 5.1(bb) does not include an obligation to make any payment or provide other valuable consideration in order to secure that consent or waiver or to initiate or join any proceedings.

Notwithstanding any other provision of any Transaction Document, a breach by AUSTAR of its obligations under clause 5.1(bb) does not entitle FOXTEL to terminate this deed or give rise to any other claim.

5.2 Liberty's obligations

Liberty must take, and must procure that each Liberty Group Member takes, all necessary steps to implement the Scheme and the Transaction Steps as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step and in the order set out in the Transaction Steps (and consult AUSTAR and FOXTEL Management on a regular basis about its progress in that regard), including doing each of the following:

- (a) **Liberty Information:** prepare and promptly provide to AUSTAR the Liberty Information for inclusion in the Scheme Booklet as required by all applicable Australian laws, and in particular by the Corporations Act, the Corporations Regulations, RG 60 and the Listing Rules;
- (b) **new information:** provide to AUSTAR, on a continuing basis until the Scheme Meeting, all further or new information which arises after the Scheme Booklet has been despatched that is necessary to ensure that the Liberty Information remains not materially misleading or deceptive (including by way of omission) until the date of the Scheme Meeting;
- (c) **review of Scheme Booklet:** review the drafts of the Scheme Booklet prepared by AUSTAR and provide comments as soon as practicable;
- (d) **Independent Expert's Report:** subject to the Independent Expert entering into arrangements with Liberty including in relation to confidentiality in a form reasonably acceptable to Liberty, provide any assistance or information reasonably requested by AUSTAR or by the Independent Expert in connection with the preparation of the Independent Expert's Report to be included in the Scheme Booklet (and any updates to that report);
- (e) **representation:** procure that it is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which through its counsel, Liberty will undertake (if requested by the Court) to do all such things and take all such steps within its power as are necessary in order to ensure the fulfilment of its obligations under this deed, the Scheme and the Deed Poll;
- (f) **Deed Poll:** prior to the First Court Date, enter into, and procure that the Bidder enters into (as applicable):
 - (1) if a Substitution Notice has not been given, a Deed Poll in the form attached as Attachment 4, subject to FOXTEL Management and FOXTEL Finco first entering into the Deed Poll; or
 - (2) if a Substitution Notice has been given, a Deed Poll in the form attached as Attachment 5,
- (g) **accuracy of Liberty Information:** confirm to AUSTAR the accuracy of the Liberty Information in the Scheme Booklet;
- (h) **EGM Resolutions:** procure that each AUSTAR Share held by or on behalf of a Liberty Group Member is voted in favour of each EGM Resolution that its holder is eligible to vote it on;

- (i) **share transfer:** if the Scheme becomes Effective, procure that the Bidder accepts a transfer of the AUSTAR Shares as contemplated by clause 4.6(a);
- (j) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction;
- (k) **Scheme Consideration:** if the Scheme becomes Effective, procure the provision of, by or on behalf of, the Bidder, the Scheme Consideration in the manner and amount contemplated by clause 4, the terms of the Scheme and the Deed Poll;
- (l) **Transaction Documents:** to the extent it has not already done so, execute (or procure execution by the relevant Liberty Group Member) any Transaction Document to which it or any Liberty Group Member is a party, in accordance with the Transaction Steps and the Timetable; and
- (m) **Scheme consideration:** provide AUSTAR for inclusion in the Scheme Booklet, statements in a form acceptable to AUSTAR (acting reasonably), to the effect that:
 - (1) under the Transaction, if the parties comply with their obligations in the Liberty Restructure and Sale Deed, the Liberty Group will receive from the FOXTEL Group on a pre-tax basis total cash consideration of no more than an amount equal to the Scheme Consideration multiplied by the total number of AUSTAR Shares held by or on behalf of Liberty Group Members as at the Implementation Date immediately before the Scheme Shares are transferred under the Scheme, plus (if a Substitution Notice has been given) an amount equal to any Scheme Funding; and
 - (2) no Liberty Group Member will receive any consideration from any FOXTEL Group Member or FOXTEL Partner Group Member in connection with the Transaction, other than consideration provided under the Transaction Documents in their then current form as at the date of this deed (disregarding any variation, novation or other change to any Transaction Document after that date other than the novations contemplated by the Transaction Documents in their current form).

Liberty acknowledges and agrees that it will be responsible to AUSTAR Shareholders for these statements and that such statements will constitute Liberty Information for purposes of this deed.

5.3 FOXTEL's obligations

FOXTEL must take, and must procure that each FOXTEL Partner Group Member and each FOXTEL Group Member takes, all necessary steps to implement the Scheme and the Transaction Steps as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step and in the order set out in the Transaction Steps (and consult AUSTAR and Liberty on a regular basis about its progress in that regard), including FOXTEL doing each of the following:

- (a) **FOXTEL Information:** procure, prepare and promptly provide to AUSTAR the FOXTEL Information for inclusion in the Scheme Booklet as required by all applicable Australian laws, and in particular by the Corporations Act, the Corporations Regulations, RG 60 and the Listing Rules;
- (b) **new information:** procure and provide to AUSTAR, on a continuing basis until the Scheme Meeting, all further or new information which arises after the Scheme Booklet has been despatched that is necessary to ensure that the FOXTEL Information remains not materially misleading or deceptive (including by way of omission) until the date of the Scheme Meeting;

- (c) **review of Scheme Booklet:** review the drafts of the Scheme Booklet prepared by AUSTAR and provide comments as soon as practicable;
- (d) **Independent Expert's Report:** subject to the Independent Expert entering into arrangements with FOXTEL Management including in relation to confidentiality in a form reasonably acceptable to FOXTEL Management, provide any assistance or information reasonably requested by AUSTAR or by the Independent Expert in connection with the preparation of the Independent Expert's Report to be included in the Scheme Booklet (and any updates to that report);
- (e) **representation:** procure that it is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which through its counsel, FOXTEL will undertake (if requested by the Court) to do all such things and take all such steps within its power as are necessary in order to ensure the fulfilment of its obligations under this deed and the Scheme;
- (f) **accuracy of FOXTEL Information:** confirm to AUSTAR the accuracy of the FOXTEL Information in the Scheme Booklet;
- (g) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction;
- (h) **Deed Poll:** if a Substitution Notice has not been given, prior to the First Court Date, enter into, and procure that FOXTEL Finco enters into, a Deed Poll in the form attached as Attachment 4;
- (i) **funding:** if a Substitution Notice has not been given, procure that FOXTEL Finco provides funding to the Bidder in an amount equal to the Estimated Total Scheme Consideration, in the manner contemplated by clause 4.5(b) and the terms of the relevant Scheme and Deed Poll;
- (j) **Transaction Documents:** to the extent it has not already done so, execute (or procure execution by the relevant FOXTEL Group Member or FOXTEL Partner Group Member of) any Transaction Document to which it or any FOXTEL Group Member or FOXTEL Partner Group Member is a party, including the FOXTEL Funding Agreement, in accordance with the Transaction Steps and the Timetable; and
- (k) **Scheme consideration:** provide AUSTAR for inclusion in the Scheme Booklet, statements in a form acceptable to AUSTAR (acting reasonably), to the effect that:
 - (1) under the Transaction, if the parties comply with their obligations in the Liberty Restructure and Sale Deed, the FOXTEL Group will provide the Liberty Group on a pre-tax basis total cash consideration of no more than an amount equal to the Scheme Consideration multiplied by the total number of AUSTAR Shares held by or on behalf of Liberty Group Members as at the Implementation Date immediately before the Scheme Shares are transferred under the Scheme, plus (if a Substitution Notice has been given) an amount equal to any Scheme Funding; and
 - (2) no FOXTEL Group Member or FOXTEL Partner Group Member will provide any consideration to any Liberty Group Member in connection with the Transaction, other than consideration provided under the Transaction Documents in their then current form as at the date of this deed (disregarding any variation, novation or other change to any Transaction Document after that date other than the novations contemplated by the Transaction Documents in their current form).

FOXTEL acknowledges and agrees that it will be responsible to AUSTAR Shareholders for these statements and that such statements will constitute FOXTEL Information for purposes of this deed.

5.4 No application to conditions precedent

Nothing in clauses 5.1, 5.2 or 5.3 imposes any obligations on a party, or modifies any obligations of a party in clause 3, in relation to the satisfaction of any Regulatory Approvals.

5.5 Conduct of business

- (a) Subject to clauses 5.5(b) and 5.5(c), from the date of this deed up to and including the Implementation Date, AUSTAR must conduct its business in the ordinary course and ensure that neither it (nor any other AUSTAR Group Member) does any of the following, except with the prior written consent of FOXTEL Management (such consent to be deemed to have been given if no response is received by AUSTAR from FOXTEL Management within 7 Business Days of FOXTEL Management receiving a request for consent from AUSTAR):
- (1) enter into any new agreement:
 - (A) with annual expenditure or revenue of greater than \$3 million; or
 - (B) with a term (or extended term) of more than 12 months other than an agreement that can be terminated without additional payment on not more than 60 days notice,
or renew, extend or vary an existing agreement where such renewal, extension or variation:
 - (C) increases the expenditure or revenue under the agreement by more than \$3 million per annum; or
 - (D) extends the term by more than 12 months, other than in circumstances where the agreement (as renewed, extended or varied) can be terminated without additional payment on not more than 60 days notice;
 - (2) incur or agree to incur capital expenditure (other than where an increase in capital expenditure relates to subscriber equipment or its installation and is in response to increases in subscriber connection activity) or any other commitment that is in total more than \$2 million above that contemplated in:
 - (A) the AUSTAR 2011 Budget; or
 - (B) if in 2012, then the amount contemplated in the AUSTAR 2011 Budget adjusted for CPI;
 - (3) merge or consolidate with any corporation or acquire all or substantially all of the shares or the business or assets of any other person, firm, association, corporation or business organisation, or agree to do any of these things;
 - (4) declare itself trustee of, or Encumber, any assets or dispose of any of its assets having a value, or for an aggregated amount, in excess of \$3 million;
 - (5) do anything that would result in the de-consolidation of the AUSTAR Consolidated Tax Group;
 - (6) modify or replace any AUSTAR Group Member's constitution;

- (7) change an accounting policy applied by AUSTAR in the preparation of its 2010 consolidated financial report, other than in accordance with applicable reporting standards;
 - (8) enter into a transaction with, or provide financial accommodation to, forgive or otherwise compromise a debt owing by a Liberty Group Member;
 - (9) notwithstanding anything to the contrary in clause 5.5(a)(1):
 - (A) materially increase the aggregate remuneration paid by AUSTAR;
 - (B) materially increase the remuneration or amend any arrangement currently in place with an employee or officer whose total employment cost (taking into account salary, superannuation and other benefits) is in excess of \$150,000;
 - (C) hire any person with a total employment cost (taking into account salary, superannuation and other benefits) in excess of \$150,000 (except where the person is hired to replace an employee or position); or
 - (D) accelerate any rights to benefits of any kind, or pay or agree to pay severance payments to directors, the chief executive officer of AUSTAR (CEO) and employees that report directly to the CEO (except in the ordinary course, in accordance with the AUSTAR 2011 Budget or, if in 2012, then in accordance with the relevant amount or amounts contemplated in the AUSTAR 2011 Budget adjusted for CPI, or otherwise in accordance with pre-existing agreements and company policies);
 - (10) notwithstanding anything to the contrary in clause 5.5(a)(1) and excluding an AUSTAR Group Member drawing down on an existing finance facility, incur or agree to incur any borrowing or other financial liability (whether contingent or otherwise), or waive any third party default, for an individual amount or value of more than \$2 million;
 - (11) commence or settle any litigation in respect of an amount exceeding \$3 million;
 - (12) fail to pay creditors or seek payment from debtors in the ordinary course consistent with past practice; or
 - (13) fail to comply in all material respects with all applicable laws having a material impact on the AUSTAR Group's business.
- (b) Nothing in clause 5.5(a) restricts the ability of AUSTAR or another AUSTAR Group Member to do any of the following (without requiring FOXTEL's consent to do so):
- (1) respond to emergencies in a reasonable and prudent manner;
 - (2) do anything where required by, or to respond to, a change in law;
 - (3) do anything necessary or desirable to implement the Scheme or the Transaction in accordance with, and in the order set out in, the Transaction Steps (including any act contemplated by a Transaction Document including as a result of the giving of a Substitution Notice);
 - (4) if a Superior Proposal is received, respond to that proposal to the extent permitted by clause 10;
 - (5) dispose of its dial-up telecommunications business;

- (6) acquire directors' and officers' run-off indemnity insurance cover for or on behalf of the directors and officers of any AUSTAR Group Member for a period of seven years, provided that it is on commercially reasonable terms; or
 - (7) undertake any action contemplated by, or otherwise conduct the business consistently with, the AUSTAR 2011 Budget or, if in 2012, then the relevant amounts contemplated in the AUSTAR 2011 Budget adjusted for CPI.
- (c) AUSTAR may agree to pay up to \$7 million in aggregate to employees and officers of the AUSTAR Group in retention payments, if:
- (1) the retention plan in relation to such persons is first provided to FOXTEL Management; and
 - (2) AUSTAR consults with FOXTEL Management in relation to the retention plan and the persons to whom such retention payments are intended to be offered.

5.6 Independent Director recommendation

- (a) Subject to clause 5.6(b), AUSTAR must ensure that the Independent Directors unanimously recommend that Minority Shareholders vote in favour of:
- (1) the Scheme; and
 - (2) the EGM Resolutions,
- at the Scheme Meeting and the EGM in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Minority Shareholders (and the Independent Expert not varying adversely or withdrawing that conclusion), and the Scheme Booklet must include a statement by the Independent Directors to that effect.
- (b) AUSTAR must ensure that neither Independent Director changes, withdraws or modifies his recommendation in favour of the Scheme and the EGM Resolutions unless:
- (1) the Independent Expert:
 - (A) concludes that the Scheme is not in the best interests of Minority Shareholders; or
 - (B) having concluded that the Scheme is in the best interests of Minority Shareholders, varies adversely or withdraws that conclusion; or
 - (2) AUSTAR has received a proposal that is a Superior Proposal.
- For the purposes of this clause 5.6, customary qualifications and explanations contained in the Scheme Booklet in relation to a recommendation to vote in favour of the Scheme or the EGM Resolutions to the effect that the recommendation is made in the absence of a superior proposal from a third party will not be regarded as a failure to make or as a withdrawal of the making of a recommendation in favour of the Scheme or the EGM Resolutions.
- (c) The parties acknowledge that AUSTAR's maximum liability for any breach of this clause 5.6 will be payment of the Reimbursement Fee in accordance with clause 11.2(a).

5.7 Bona Fide Competing Transaction

- (a) If a proposal for a Competing Transaction, which the Independent Directors acting reasonably consider to be a bona fide proposal, is publicly announced at

any time between the date the Scheme Booklet is sent to AUSTAR Shareholders and the date on which the Scheme Meeting is held, AUSTAR must ensure that AUSTAR Shareholders are provided with all information which is known to AUSTAR and which is material to the consideration of the Scheme by Minority Shareholders, including any material information concerning the Competing Transaction (*New Information*).

- (b) AUSTAR must consult in a timely manner with ASIC in relation to the New Information and the time by which the New Information is to be sent to AUSTAR Shareholders prior to the date on which the Scheme Meeting is to be held.
- (c) Where New Information is despatched to AUSTAR Shareholders in accordance with clauses 5.7(a) and 5.7(b), AUSTAR must take such steps as are reasonably required to adjourn the holding of the Scheme Meeting to allow Minority Shareholders at least 10 Business Days prior to the last date on which proxies can be lodged with AUSTAR in relation to the Scheme Meeting to consider the New Information.
- (d) The parties agree that the Scheme Booklet will contain prominent disclosure of AUSTAR's obligations under this clause 5.7.

5.8 Conduct of Court proceedings

- (a) AUSTAR, FOXTEL and Liberty are entitled to separate representation at all Court proceedings affecting the Scheme.
- (b) This deed does not give AUSTAR, FOXTEL or Liberty any right or power to give undertakings to the Court for or on behalf of any other party without that party's written consent (in its absolute discretion).
- (c) AUSTAR, FOXTEL and Liberty must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Scheme as contemplated by this deed.

5.9 Responsibility statement

The Scheme Booklet will contain a responsibility statement to the effect that:

- (a) AUSTAR is responsible for the AUSTAR Information contained in the Scheme Booklet and is also responsible for the information contained in the Scheme Booklet obtained from AUSTAR's public filings on ASX regarding the AUSTAR Group contained in, or used in the preparation of, the FOXTEL Information or the Liberty Information (to the extent that those filings are accurately reflected in the FOXTEL Information or Liberty Information, as appropriate);
- (b) FOXTEL is responsible for the FOXTEL Information contained in the Scheme Booklet; and
- (c) Liberty is responsible for the Liberty Information contained in the Scheme Booklet.

6 Representations and warranties

6.1 FOXTEL representations

- (a) Each of Telstra Media and Sky Cable severally and in its personal capacity represents and warrants to each of AUSTAR and Liberty in respect of itself only the FOXTEL Warranties in each of paragraph (a)(1) and (b)(1) of Schedule 1.

- (b) Telstra Media and Sky Cable jointly and severally represent and warrant to each of AUSTAR and Liberty the FOXTEL Warranties in each of paragraph (a)(2) and (3) of Schedule 1.
- (c) FOXTEL Management (in its personal capacity) represents and warrants to each of AUSTAR and Liberty the FOXTEL Warranties in each of paragraph (a)(1) and (b)(2) of Schedule 1.
- (d) FOXTEL Management represents and warrants to each of AUSTAR and Liberty the FOXTEL Warranties, in each of paragraph (c) and (d) of Schedule 1, it being acknowledged that Telstra Media and Sky Cable are jointly and severally liable in respect of any of these FOXTEL Warranties being incorrect.

6.2 FOXTEL's indemnity

Each of FOXTEL Management, Telstra Media and Sky Cable agree with each of AUSTAR and Liberty to indemnify:

- (a) AUSTAR against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which an AUSTAR Group Member suffers, incurs or is liable for; and
- (b) Liberty against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which a Liberty Group Member suffers, incurs or is liable for,

arising out of any breach by it of any FOXTEL Warranty and where that FOXTEL Warranty:

- (c) is given in a specified capacity, it indemnifies AUSTAR and Liberty in that same capacity; and
- (d) is given together with one or more other parties, either severally or jointly and severally, it indemnifies AUSTAR and Liberty together with that or those same other parties and on the same basis.

6.3 Liberty representations

Subject to clause 6.10, Liberty represents and warrants to each of AUSTAR and FOXTEL each of the Liberty Warranties.

6.4 Liberty's indemnity

Subject to clause 6.10, Liberty agrees with each of AUSTAR and FOXTEL to indemnify:

- (a) AUSTAR against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which an AUSTAR Group Member suffers, incurs or is liable for; and
- (b) FOXTEL against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which a FOXTEL Group Member suffers, incurs or is liable for,

arising out of any breach of any of the Liberty Warranties.

6.5 AUSTAR representations

AUSTAR represents and warrants to each of FOXTEL and Liberty each of the AUSTAR Warranties that is stated to be given to each of FOXTEL and Liberty, as appropriate. The AUSTAR Warranties (other than the AUSTAR Warranties in paragraphs (a) to (c) of Schedule 3), and indemnity under clause 6.6, are subject to matters which have been fully and fairly disclosed in:

- (a) in the case of AUSTAR's liability to FOXTEL, the Disclosure Materials; and
- (b) AUSTAR's announcements on ASX prior to entry into this deed.

6.6 AUSTAR's indemnity

AUSTAR agrees with each of FOXTEL and Liberty to indemnify:

- (a) FOXTEL against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which a FOXTEL Group Member suffers, incurs or is liable for; and
- (b) Liberty against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which a Liberty Group Member suffers, incurs or is liable for,

arising out of any breach of any of the AUSTAR Warranties that are stated to be given to each, as appropriate.

6.7 Survival of representations

Each representation and warranty referred to in clauses 6.1, 6.3 and 6.5:

- (a) is severable; and
- (b) survives the termination of this deed.

6.8 Survival of indemnities

Each indemnity in this deed (including those in clauses 6.2, 6.4 and 6.6):

- (a) is severable;
- (b) is a continuing obligation;
- (c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and
- (d) survives the termination of this deed.

6.9 Timing of warranties

Each representation and warranty made or given under clauses 6.1, 6.3 and 6.5 is given:

- (a) at the date of this deed and again at 8.00am on the Second Court Date; or
- (b) where expressed to be given at a particular time, at that time.

6.10 Limitations

Notwithstanding anything in this deed, any liability of Liberty or any Liberty Group Member under this deed (other than, unless Implementation occurs, any liability to AUSTAR) is subject to any limitations or qualifications applying under the Liberty Restructure and Sale Deed.

7 Releases

7.1 AUSTAR directors and officers

- (a) Each of FOXTEL Management, Telstra Media and Sky Cable (each in any capacity) and Liberty releases its respective rights, and agrees with AUSTAR

that it will not make a claim, against any AUSTAR Released Party (other than AUSTAR) as at the date of this deed in connection with:

- (1) any breach of any representations, covenants and warranties of AUSTAR or any other AUSTAR Group Member in this deed; or
- (2) any disclosures containing any statement which is false or misleading whether in content or by omission,

except where the AUSTAR Released Party has not acted in good faith or has engaged in wilful misconduct. For the avoidance of doubt, nothing in this clause 7.1(a) limits FOXTEL's right to terminate this deed under clause 12.1.

- (b) This clause 7.1 is subject to any Corporations Act restriction and will be read down accordingly. AUSTAR receives and holds the benefit of this clause to the extent it relates to each other AUSTAR Released Party as trustee for each of them.

7.2 FOXTEL directors and officers

- (a) Each of AUSTAR and Liberty releases its respective rights, and agrees with FOXTEL that it will not make a claim, against any FOXTEL Released Party (other than FOXTEL) as at the date of this deed in connection with:
 - (1) any breach of any representations, covenants and warranties of FOXTEL in this deed; or
 - (2) any disclosures containing any statement which is false or misleading whether in content or by omission,

except where the FOXTEL Released Party has not acted in good faith or has engaged in wilful misconduct. For the avoidance of doubt, nothing in this clause 7.2(a) limits AUSTAR's or Liberty's rights to terminate this deed under clause 12.1.

- (b) Each of AUSTAR and Liberty releases its respective rights, and agrees with FOXTEL that it will not make a claim, against any FOXTEL Released Party (other than the relevant FOXTEL Partner) as at the date of this deed in connection with any breach of any representations, covenants and warranties of a FOXTEL Partner in its FOXTEL Partner Deed Poll except where the FOXTEL Released Party has not acted in good faith or has engaged in wilful misconduct. For the avoidance of doubt, nothing in this clause 7.2(b) limits AUSTAR's or Liberty's rights to terminate this deed under clause 12.1.
- (c) This clause 7.2 is subject to any Corporations Act restriction and will be read down accordingly. FOXTEL receives and holds the benefit of this clause to the extent it relates to each other FOXTEL Released Party as trustee for each of them.

7.3 Liberty directors and officers

- (a) Each of FOXTEL Management, Telstra Media and Sky Cable (each in any capacity) and AUSTAR releases its respective rights, and agrees with Liberty that it will not make a claim, against any Liberty Released Party (other than Liberty and the Bidder) as at the date of this deed in connection with:
 - (1) any breach of any representations, covenants and warranties of Liberty or the Bidder in this deed; or
 - (2) any disclosures containing any statement which is false or misleading whether in content or by omission,

except where the Liberty Released Party has not acted in good faith or has engaged in wilful misconduct. For the avoidance of doubt, nothing in this clause 7.3(a) limits FOXTEL's right to terminate this deed under clause 12.1.

- (b) This clause 7.3 is subject to any Corporations Act restriction and will be read down accordingly. Liberty receives and holds the benefit of this clause to the extent it relates to each other Liberty Released Party as trustee for each of them.

8 Public announcements

- (a) Immediately after the execution of this deed, AUSTAR and FOXTEL must issue public announcements in a form previously agreed to in writing between AUSTAR, Liberty and FOXTEL Management. The AUSTAR announcement must include:
- (1) a recommendation by the Independent Directors to Minority Shareholders that, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Minority Shareholders, Minority Shareholders vote in favour of the Scheme and the EGM Resolutions; and
 - (2) a statement that each Independent Director will vote, or will procure the voting of, any Independent Director AUSTAR Shares held by him or on his behalf at the time of the Scheme Meeting in favour of the Scheme and held at the time of the EGM in favour of the EGM Resolutions, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Minority Shareholders.
- (b) Where practicable, the parties must:
- (1) provide advanced drafts of any other public announcements in relation to the Transaction to the other parties for comment; and
 - (2) take into account any comments provided by the other parties, to the extent reasonably possible, subject to law and requirements of applicable securities exchanges.

9 Confidentiality and standstill extension

9.1 Confidentiality deeds

- (a) AUSTAR and FOXTEL Management acknowledge and agree that they continue to be bound by the Confidentiality Deed after the date of this deed.
- (b) Liberty and FOXTEL Management acknowledge and agree that they continue to be bound by the Liberty Confidentiality Deed after the date of this deed.

9.2 Survival of obligations

The rights and obligations of the parties under the Confidentiality Deed and the Liberty Confidentiality Deed survive termination of this deed.

9.3 Standstill extension

AUSTAR and FOXTEL Management agree that, from the date of this deed:

- (a) the Confidentiality Deed is amended by:
 - (1) extending the period of FOXTEL's obligations under clause 11.1 of that deed, including its obligation to procure that the "FOXTEL Group" (as defined in that deed) observe the requirements of that clause, until the End Date;
 - (2) releasing FOXTEL from its obligations to the extent necessary or desirable to implement the Scheme or the Transaction in accordance with, and in the order set out in, the Transaction Steps (including any act contemplated by a Transaction Document); and
 - (3) removing clauses 11.2(b) and 11.2(d) of that deed, and
- (b) if at any time the Independent Directors, by unanimous resolution, determine that FOXTEL be released from its obligations under clause 11 of the Confidentiality Deed, FOXTEL will be released accordingly.

10 Exclusivity

10.1 No-shop

During the Exclusivity Period, each of AUSTAR and Liberty must not, and must ensure that none of their respective Representatives, subsidiaries and none of the Representatives of their respective subsidiaries directly or indirectly solicit or invite, enquiries, discussions or proposals in relation to, or which may reasonably be expected to encourage or lead to, a Competing Transaction, or communicate to any person an intention to do any of those things.

10.2 No-talk

Subject to clause 10.3, during the Exclusivity Period, AUSTAR must not, and must ensure that none of its Representatives, no other AUSTAR Group Member and none of their Representatives directly or indirectly:

- (a) participate in or continue any discussions or negotiations; or
- (b) enter into any agreement, arrangement or understanding,

in relation to, or which may reasonably be expected to encourage or lead to, a Competing Transaction even if those things were not directly or indirectly solicited or invited by AUSTAR, any of its Representatives, any other AUSTAR Group Member or any of their Representatives or the Competing Transaction has been announced publicly.

10.3 Limitation to no-talk

AUSTAR, its Representatives, other AUSTAR Group Members and their Representatives may undertake any action that would otherwise be prohibited by clause 10.2 in relation to a bona fide Competing Transaction which was not brought about as a result of a breach by AUSTAR of its obligations under this clause 10, where the Independent Directors determine, in good faith, that:

- (a) the Competing Transaction is a Superior Proposal;

- (b) the Competing Transaction could reasonably be expected to become a Superior Proposal and the Independent Directors have received written advice from their external financial and legal advisers to that effect; or
- (c) not undertaking that act would or would likely involve a breach of the fiduciary duties owed by any AUSTAR director or would otherwise be unlawful, and the Independent Directors have received written advice from their external legal advisers to that effect.

10.4 No due diligence

Subject to clause 10.5, during the Exclusivity Period:

- (a) AUSTAR must not, and must ensure that none of its Representatives, other AUSTAR Group Members and their Representatives; and
- (b) Liberty must not, and must ensure that none of its Representatives, other Liberty Group Members and their Representatives,

directly or indirectly provide or make available any material confidential information concerning the AUSTAR Group or any of its businesses or operations to any Third Party in connection with, or for the purposes of, a current or future Competing Transaction.

10.5 Limitation to no due diligence

AUSTAR and the other AUSTAR Group Members, Liberty and the other Liberty Group Members, and each of their respective Representatives may undertake any action that would otherwise be prohibited by clause 10.4 in relation to a bona fide Competing Transaction which was not brought about as a result of a breach by AUSTAR or Liberty of their obligations under this clause 10, where the Independent Directors or the directors of Liberty (as appropriate) determine, in good faith, that:

- (a) the Competing Transaction is a Superior Proposal; or
- (b) the Competing Transaction could reasonably be expected to become a Superior Proposal and the Independent Directors have received written advice from their external financial and legal advisers to that effect,
and:
 - (1) the Third Party to whom the material confidential information concerning the AUSTAR Group or any of its businesses or operations is provided or made available has entered into a binding agreement in favour of AUSTAR substantively on the same terms as the provisions of the Confidentiality Deed relating to the use and disclosure of the confidential information; and
 - (2) within 2 Business Days of providing or making available that material confidential information to the Third Party, AUSTAR provides to FOXTEL Management any part of that information not previously provided or made available to FOXTEL or the FOXTEL Partners; or
- (c) not undertaking that act would or would likely involve a breach of the fiduciary duties owed by any AUSTAR director or Liberty director (as appropriate), or would otherwise be unlawful, and the Independent Directors have received written advice from their external legal advisers to that effect.

10.6 Compliance with law

- (a) If it is finally determined by the court, or the Takeovers Panel, that the agreement by AUSTAR and Liberty under this clause 10 or any part of it:
- (1) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of an AUSTAR director or a Liberty director (as the case may be); or
 - (2) constituted, or constitutes, or would constitute, unacceptable circumstances within the meaning of the Corporations Act; or
 - (3) was, or is, or would be, unlawful for any other reason,
- then, to that extent (and only to that extent) AUSTAR or Liberty (as appropriate) will not be obliged to comply with that provision of this clause 10.
- (b) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this clause 10.6.
- (c) The agreement by Liberty under this clause 10 applies only to the extent that it is not inconsistent with any exemption, modification or other relief granted to it (alone or with any one or more FOXTEL Group Members) by ASIC.

10.7 Termination of discussions

Each of AUSTAR and Liberty represents and warrants that, other than the discussions with FOXTEL in respect of the Transaction, it is not as at the date of this Deed in discussions or negotiations with any Third Party in respect of a Competing Transaction.

11 Payment of costs – Reimbursement Fee

11.1 Background

This clause 11 has been agreed to in circumstances where:

- (a) AUSTAR and FOXTEL believe the implementation of the Scheme will provide significant benefits to AUSTAR, FOXTEL and their respective shareholders, and AUSTAR and FOXTEL acknowledge that, if they enter into this deed and the Scheme is subsequently not implemented, FOXTEL will incur significant costs, including significant opportunity costs;
- (b) FOXTEL requested provision be made for the payments outlined in this clause 11, without which FOXTEL would not have entered into this deed and the proposal would not have been put to AUSTAR;
- (c) each of FOXTEL's board and the AUSTAR Board believe that it is reasonable and appropriate for both parties to agree to the payment referred to in this clause 11 to secure FOXTEL entry into this deed and the benefits to AUSTAR Shareholders from participation in the Transaction; and
- (d) both parties have received legal advice in relation to this deed and the operation of this clause 11.

11.2 Payment of Reimbursement Fee by AUSTAR

- (a) Subject to clauses 11.2(b) and 11.5, AUSTAR must pay the Reimbursement Fee to FOXTEL Management, without set-off or withholding, if:
- (1) before the earlier of the date of the Scheme Meeting or the End Date, either Independent Director changes adversely or withdraws his recommendation in favour of the Scheme and the EGM Resolutions or his statement that he will vote, or procure the voting of, any Independent Director AUSTAR Shares held by him or on his behalf at the time of the Scheme Meeting in favour of the Scheme and held at the time of the EGM in favour of the EGM Resolutions, unless:
- (A) the Independent Expert concludes in the Independent Expert's Report (including by variation to a prior report) that the Scheme is not in the best interests of Minority Shareholders; or
- (B) the Independent Expert withdraws a prior report that concluded that the Scheme is in the best interests of Minority Shareholders,
- and, in either case, otherwise than in circumstances where the Independent Expert reaches that conclusion or withdraws its report as a result of a Superior Proposal having been announced or made public; or
- (2) before the End Date, a Third Party announces a Superior Proposal and:
- (A) the sale by Liberty of its AUSTAR Shares to that Third Party or any associate of that Third Party pursuant to that Superior Proposal is completed; or
- (B) in the case of a Superior Proposal of the kind referred to in item 4 of the definition of 'Competing Transaction', the Competing Transaction is substantially completed,
- within 12 months of that Superior Proposal having been announced.
- (b) Despite anything in clause 11.2(a), AUSTAR is not required to pay the Reimbursement Fee to FOXTEL Management if:
- (1) this deed is terminated pursuant to:
- (A) clause 12.1(a) because one or more of the conditions precedent in clauses 3.1(a), 3.1(b), 3.1(c), 3.1(d), 3.1(e) or 3.1(h) has not been waived or satisfied by the End Date, or cannot be waived or satisfied by the End Date; or
- (B) clause 12.1(c); or
- (2) this deed is terminated pursuant to:
- (A) clause 12.1(a) because the condition precedent in clause 3.1(g) has not been waived or satisfied by the End Date, or cannot be waived or satisfied by the End Date; or
- (B) clause 12.1(b) or clause 12.1(d)(2),
- except in each case where the termination is a result of a Superior Proposal or a conclusion, or change of conclusion, by the Independent Expert as a result of a Superior Proposal having been announced or made public.

11.3 Written demand

- (a) AUSTAR must pay the Reimbursement Fee to FOXTEL Management within 10 Business Days after receiving a written demand from FOXTEL Management.
- (b) The demand for payment of the Reimbursement Fee can only be made after the occurrence of an event referred to in clause 11.2.
- (c) AUSTAR is only liable to pay the Reimbursement Fee once.

11.4 Nature of payment

The amount payable by AUSTAR to FOXTEL Management under clause 11.2 is an amount to compensate FOXTEL for:

- (a) advisory costs (including costs of advisors, other than success fees);
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses; and
- (d) reasonable opportunity costs incurred by FOXTEL in pursuing the Transaction or in not pursuing other alternative acquisitions or strategic initiatives which FOXTEL could have developed to further its business and objectives.

11.5 Compliance with law

- (a) No amount will be payable by AUSTAR under clause 11.2 if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 11.2. To the extent that any amounts have already been paid to FOXTEL Management under clause 11.2 and the Scheme becomes Effective, such amounts must immediately be refunded to AUSTAR.
- (b) This clause 11 does not impose an obligation on AUSTAR to pay the Reimbursement Fee to the extent that the obligation to pay the Reimbursement Fee:
 - (1) constitutes unacceptable circumstances as declared by the Takeovers Panel; or
 - (2) is held to be unenforceable by FOXTEL Management against AUSTAR as determined by a court,after all proper avenues of appeal and review, whether judicial or otherwise, have been exhausted. The parties must take all reasonable steps to ensure that any such determination applies to the minimum extent possible.
- (c) The parties must not make, cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 11.5(b).

11.6 Other claims

AUSTAR will have no liability to FOXTEL Management, Telstra Media or Sky Cable (each, in any capacity) for any breach of this deed that arises out of, or relates to, an act, event or occurrence referred to in clause 11.2 other than for its liability to pay the Reimbursement Fee and any interest that may be awarded as a result of the late payment of the Reimbursement Fee under clause 11.2 (where that clause applies).

12 Termination

12.1 Termination

- (a) Any party may terminate this deed by written notice to the other parties if:
- (1) a condition precedent for the benefit of that party (or parties including that party) has not been waived or satisfied by the End Date, or cannot be waived or satisfied by the End Date, provided the terminating party has complied with its obligations to endeavour to procure satisfaction of this condition precedent under clause 3;
 - (2) the Court makes a determination not to approve the Scheme, provided the terminating party has complied with its obligations to endeavour to procure satisfaction of the condition precedent in clause 3.1(b); or
 - (3) the Scheme has not become Effective by the End Date.
- (b) Any party may terminate this deed before 8.00am on the Second Court Date by written notice to the other parties if the Independent Directors withdraw their recommendation of the Scheme to Minority Shareholders following a Superior Proposal or a report from the Independent Expert that the Scheme is not in the best interests of Minority Shareholders (including if the Independent Expert varies adversely or withdraws its earlier conclusion that the Scheme is in the best interests of Minority Shareholders).
- (c) Either of AUSTAR or Liberty may terminate this deed by written notice to the other parties:
- (1) before 8.00am on the Second Court Date if FOXTEL is in material unremedied breach of any of its material obligations under this deed or there is a material breach of a FOXTEL Warranty, and:
 - (A) Liberty or AUSTAR notifies FOXTEL Management that it believes there has been a breach of one or more of FOXTEL's material obligations or of a FOXTEL Warranty, stating its intention to terminate this deed;
 - (B) the relevant circumstances continue to exist 10 days from the time the notice is given unless the Second Court Date is scheduled to occur in that 10 day period. In that event the parties will use their reasonable endeavours to adjourn or postpone the Second Court Date for 10 days, but if the Court declines to do so, the time period for the relevant circumstances to exist will be such shorter period ending at 5.00pm on the day before the Second Court Date); and
 - (C) Liberty or AUSTAR exercises its right to terminate this deed within 5 days after the end of the 10 day period referred to in clause 12.1(c)(1)(B) (or by 8.00am on the Second Court Date, if this is earlier);
 - (2) at any time during a period of 14 days commencing on the date 5 months after the date of this deed if:
 - (A) the condition precedent in clause 3.1(a)(1) has not been satisfied by that time; and
 - (B) acting reasonably and in good faith, and after having consulted the other parties, it considers that the condition precedent in clause 3.1(a)(1) is unlikely to be satisfied by the End Date; or

- (3) before 8.00am on the Second Court Date if an Insolvency Event occurs with respect to FOXTEL Management, Telstra Media or Sky Cable (each, in any capacity).
- (d) FOXTEL may terminate this deed at any time before 8.00am on the Second Court Date if:
- (1) either of AUSTAR or Liberty is in material unremedied breach of any of its material obligations under this deed or there is a material breach of an AUSTAR Warranty or a Liberty Warranty, and:
- (A) FOXTEL notifies AUSTAR or Liberty (as appropriate) that it believes there has been a breach of one or more of that party's material obligations or of an AUSTAR Warranty or a Liberty Warranty (as appropriate), stating its intention to terminate this deed;
- (B) the relevant circumstances continue to exist 10 days from the time the notice is given unless the Second Court Date is scheduled to occur in that 10 day period. In that event the parties will use their reasonable endeavours to adjourn or postpone the Second Court Date for 10 days, but if the Court declines to do so, the time period for the relevant circumstances to exist will be such shorter period ending at 5.00pm on the day before the Second Court Date); and
- (C) FOXTEL exercises its right to terminate this deed within 5 days after the end of the 10 day period referred to in clause 12.1(d)(1)(B) (or by 8.00am on the Second Court Date, if this is earlier);
- (2) the Independent Directors do not both recommend that Minority Shareholders vote in favour of the Scheme or either Independent Director withdraws his previous recommendation to this effect; or
- (3) an Insolvency Event occurs with respect to Liberty.

In the case of a breach of an obligation in clause 5.5, the breach will be material if it has, or would be likely to have, a material adverse effect on the AUSTAR Group's business.

- (e) AUSTAR may terminate this deed at any time before 8.00am on the Second Court Date if:
- (1) an Insolvency Event occurs with respect to Liberty or the Bidder; or
- (2) where a Substitution Notice has not been given, in breach of FOXTEL's procurement obligation under clause 4.5(b), FOXTEL Finco has not paid an amount equal to the Estimated Total Scheme Consideration into the Escrow Account in the manner required by clause 4.5(b).
- (f) Liberty may terminate this deed at any time before 8.00am on the Second Court Date if:
- (1) an Insolvency Event occurs with respect to AUSTAR or any AUSTAR Material Subsidiary; or
- (2) where a Substitution Notice has not been given, in breach of FOXTEL's procurement obligation under clause 4.5(b), FOXTEL Finco has not paid an amount equal to the Estimated Total Scheme Consideration into the Escrow Account in the manner required by clause 4.5(b).

12.2 Effect of termination

If this deed is terminated by any party under clause 12.1, except if that the termination results from a breach by a party of its obligations under this deed, this deed will become void and have no effect, without any liability or obligation on the part of any party, other than in relation to rights and obligations that accrued prior to termination and other than in relation to the provisions of this clause 12 and of clauses 1, 4.7(a)(2), (4), (5), (6), (8), (9), (10) and (b), 6, 7, 9, 11, 13, 14 and 15, which will remain in force after termination.

12.3 Termination

Where a party has a right to terminate this deed, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other parties stating that it terminates this deed and the provision under which it is terminating the deed.

12.4 Terminable in writing

This deed is terminable if agreed to in writing by FOXTEL, AUSTAR, the Bidder and Liberty before 8.00am on the Second Court Date .

12.5 No other right to terminate or rescind

No party may terminate or rescind this deed (including on the grounds of any breach of warranty or misrepresentation that occurs or becomes apparent at any time) except as permitted under clause 12.1 or clause 12.4.

13 Duty, costs and expenses

13.1 Stamp duty

FOXTEL must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this deed and the Scheme or the steps to be taken under this deed and the Scheme.

13.2 Costs and expenses

Except as otherwise provided in this deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this deed and the proposed, attempted or actual implementation of this deed and the Transaction.

14 GST

- (a) Any consideration or amount payable under this deed, including any non-monetary consideration (as reduced in accordance with clause 14(e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.

- (c) The Additional Amount payable under clause 14(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 14(b):
 - (1) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (2) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (3) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this deed:
 - (1) if an amount payable under or in connection with this deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred; and
 - (2) no Additional Amount is payable under clause 14(b) in respect of a Supply to which s 84-5 of the GST Law applies.
- (f) Any reference in this clause 14 to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term starting with a capital letter in this clause 14 that is not defined in this deed has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999 (Cth)*.

15 General

15.1 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in a Transaction Document and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.

- (b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in a Transaction Document.
- (c) Each party acknowledges and confirms that clauses 15.1(a) and 15.1(b) do not prejudice any rights a party may have in relation to information which has been filed by another party with ASIC or the ASX.

15.2 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

15.3 Consents

Any consent or approval referred to in, or required under, this deed from:

- (a) any party may not be unreasonably withheld, unless this deed expressly provides for that consent to be given in that party's absolute discretion; or
- (b) FOXTEL may be sought from, and given by, FOXTEL Management, and a consent or approval so given by FOXTEL Management binds it and each of Telstra Media and Sky Cable and is taken to be a consent by or approval of FOXTEL.

15.4 Notices

Any communication under or in connection with this deed:

- (a) must be in legible writing. A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after transmission is received or regarded as received under clause 15.4(f)(1) and informs the sender that it is not legible;
- (b) must be in English; and
- (c) must be addressed as shown below:

Party	Address	Addressee	Fax
AUSTAR	Level 1 46-52 Mountain Street Ultimo New South Wales 2007 Australia	Deanne Weir	+61 2 9295 0163
FOXTEL	c/- FOXTEL Management Pty Limited 5 Thomas Holt Drive North Ryde Sydney, NSW, 2113 with a copy to: Allens Arthur Robinson 126 Phillip Street Sydney NSW 2000 Australia	Director of Legal and Business Affairs / Chief Financial Officer Kylie Brown / Marcus Clark	+61 2 9813 6113 + 61 2 9230 5333

Liberty	12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America With a copy to: Allen & Overy Level 7, Gold Fields House 1 Alfred Street, Sydney, NSW, 2000 Australia	Legal Department Michael Parshall	+1 303 220 6691 +612 9373 7710
Bidder	Level 7, Gold Fields House 1 Alfred Street, Sydney, NSW, 2000 Australia	Michael Parshall	+612 9373 7710

(or as otherwise notified by that party to the other parties from time to time);

- (d) must be signed by the party making the communication or by a person duly authorised by that party;
- (e) must be delivered to the address, or sent by fax to the fax number, of the addressee, in accordance with clause 15.4(c); and
- (f) is regarded as received by the addressee:
 - (1) if sent by fax, at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day in the place of receipt, when that communication will be regarded as received at 9.00am on the next Business Day; and
 - (2) if delivered by hand, on delivery at the address of the addressee as provided in clause 15.4(c), unless delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be regarded as received at 9.00am on the next Business Day; and
- (g) in the case of a communication by a party to FOXTEL, Telstra Media or Sky Cable (including the provision of any information, notice or document), is taken to be given to FOXTEL, Telstra Media or Sky Cable (as applicable) if it is given to FOXTEL Management in accordance with the preceding paragraphs of this clause 15.4.

15.5 Governing law and jurisdiction

- (a) This deed is governed by the laws of New South Wales.
- (b) In relation to this deed and related non-contractual matters, each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts and waives any right to object to the venue on any ground.

15.6 Process agent

Liberty:

- (a) irrevocably appoints Allen & Overy, Level 7, Gold Fields House, 1 Alfred Street, Sydney, NSW, 2000 Australia (Attention Michael Parshall) as its agent to accept service of process and other documents in any legal action or proceedings

arising out of or in any way related to this deed and related non-contractual matters before courts of New South Wales and courts competent to hear appeals from those courts;

- (b) must ensure that at all times, the agent or a replacement acceptable to FOXTEL remains present, authorised and able to accept service of process and other documents on its behalf and, if there is a replacement, it must immediately notify the other parties and provide them with satisfactory evidence of the replacement's acceptance of its appointment; and
- (c) agrees that service of any process or documents on the agent (or any replacement) will be sufficient service on it.

15.7 Waivers

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed.
- (b) Subject to clause 15.3(b), any waiver or consent given by any party under this deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this deed operates as a waiver of another breach of that term or of a breach of any other term of this deed.

15.8 Variation

This deed may only be varied by a document signed by or on behalf of each of the parties.

15.9 Assignment

A party may not assign, novate or otherwise transfer any of its rights or obligations under this deed without the prior written consent of the other parties.

15.10 Acknowledgement

Each party acknowledges that the remedy of damages alone may be inadequate to protect the interests of the parties, or provide adequate compensation, for a breach of this deed and that a party is entitled to seek and obtain without limitation injunctive relief or an order for specific performance if another party breaches this deed.

15.11 No third party beneficiary

- (a) This deed is binding on and inures solely to the benefit of each party to it and each of their respective permitted successors and assigns.
- (b) Nothing in this deed, express or implied, is intended to or shall confer on any other person, other than the AUSTAR Released Parties, the FOXTEL Released Parties and the Liberty Released Parties to the extent set forth in clause 7, any third party beneficiary rights.

15.12 Further action

Each party must do all things and execute all further documents necessary to give full effect to this deed.

15.13 Entire agreement

The Transaction Documents supersede all previous agreements, understandings, negotiations or deeds in respect of its subject matter and embodies the entire agreement between the parties.

15.14 Counterparts

- (a) This deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this deed by signing any counterpart.

Schedules

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FOXTEL Warranties

Each of the FOXTEL Warranties is given by the relevant entity or entities identified in clause 6.1.

(a) capacity and authority

- (1) It has full corporate power and lawful authority to execute, deliver and perform this deed, and the execution and delivery of this deed has been properly authorised by all necessary corporate action of it.
- (2) FOXTEL Management has full corporate power and lawful authority to execute, deliver and perform this deed, and the execution and delivery of this deed has been properly authorised by all necessary action of the FOXTEL Partnership.
- (3) FOXTEL Management is authorised to enter into each of the Transaction Documents to which it is, or is to become, a party as agent for the FOXTEL Partnership.

(b) deed binding

- (1) This deed is a legal, valid and binding obligation of it, enforceable in accordance with its terms against it.
- (2) This deed is a legal, valid and binding obligation of it (in the case of obligations incurred in its personal capacity), enforceable in accordance with its terms against it.

(c) not misleading The FOXTEL Information provided for inclusion in the Scheme Booklet, as at the date the Scheme Booklet is despatched to AUSTAR Shareholders, will not contain any statement which is materially misleading or deceptive including by way of omission from that FOXTEL Information.

(d) regulatory As at the date of this deed:

- (1) to the extent of FOXTEL Management's knowledge of the business of FOXTEL, it reasonably believes that the transaction is not likely to have the effect of substantially lessening competition in a market pursuant to section 50 of the Competition Act either as proposed or with conditions or undertakings that are acceptable to FOXTEL and the FOXTEL Partners; and
- (2) having made enquiries of the chief executive officer of FOXTEL, who has consulted with his direct reports, but not having asked the ACCC, neither the chief executive officer nor any of his direct reports has been informed by the ACCC that:
 - (i) the ACCC would seek to oppose or prevent the implementation of the Transaction; or
 - (ii) the ACCC would only refrain from opposing or seeking to prevent the implementation of the Transaction if FOXTEL and/or one or more of the FOXTEL Partners, accept conditions imposed by the ACCC or give undertakings to the ACCC that FOXTEL believes (based on the understanding of the chief executive officer) would not be acceptable to FOXTEL and/or the FOXTEL Partners.

Liberty Warranties

- (a) **capacity and authority:** it has full corporate power and lawful authority to execute, deliver and perform this deed, and the execution and delivery of this deed has been properly authorised by all necessary corporate action of it;
- (b) **deed binding:** this deed is a legal, valid and binding obligation of it enforceable in accordance with its terms against it; and
- (c) **Not misleading:** the Liberty Information provided for inclusion in the Scheme Booklet, as at the date the Scheme Booklet is despatched to AUSTAR Shareholders, will not contain any statement which is materially misleading or deceptive including by way of omission from that Liberty Information.

AUSTAR Warranties

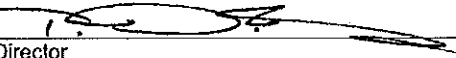
- (a) **capacity and authority:** it has full corporate power and lawful authority to execute, deliver and perform this deed, and the execution and delivery of this deed has been properly authorised by all necessary corporate action of AUSTAR;
- (b) **deed binding:** this deed is a legal, valid and binding obligation of AUSTAR enforceable in accordance with its terms against AUSTAR;
- (c) **information:** AUSTAR is not aware of any material price sensitive information in relation to AUSTAR that has not been disclosed to the ASX or otherwise disclosed to FOXTEL;
- (d) **Scheme Booklet:** the AUSTAR Information contained in the Scheme Booklet, as at the date the Scheme Booklet is despatched to AUSTAR Shareholders, will not contain any statement which is materially misleading or deceptive, including by way of omission from that AUSTAR Information;
- (e) **Independent Expert:** all information it has provided, or will provide, to the Independent Expert has been provided, or will be provided, in good faith;
- (f) **employee share plan:** the AUSTAR Employee General Share Plan and all other AUSTAR employee share plans are suspended, AUSTAR is not required to issue further AUSTAR Shares or other securities under these plans, and there are no other such plans or outstanding rights under any such plans which have not been satisfied; and
- (g) **dial-up telecommunications business:** as at 8.00am on the Second Court Date, AUSTAR does not operate a dial-up telecommunications business,
and, subject to paragraphs (i) and (j) below, AUSTAR represents and warrants to FOXTEL that:
- (h) **not misleading:** all information it has provided to FOXTEL as part of the Disclosure Materials has been provided in good faith and is not misleading or deceptive in any material respect (including by omission).
However AUSTAR does not provide:
- (i) any warranty or representation in relation to the completeness of that information; or
- (j) any warranty or representation of any kind in respect of any of that information to the extent that it constitutes forward-looking information of any kind (including financial forecast information).

Executed as a deed

Signed, sealed and delivered by
AUSTAR United Communications Limited
By

sign here ▶ 
Company Secretary/Director

print name Deanne Weir

sign here ▶ 
Director

print name TIMOTHY DAVID DOWNING

Signed, sealed and delivered by
Telstra Media Pty Limited

by its attorneys under a power of attorney dated 5 July 2011, and the attorneys declare that they have not received any notice of the revocation of such power of attorney, in the presence of:

sign here ▶ _____
Attorney

print name _____

sign here ▶ _____
Attorney

print name _____

sign here ▶ _____
Witness

print name _____

Freehills

Signing page

Executed as a deed

Signed, sealed and delivered by
AUSTAR United Communications Limited
By

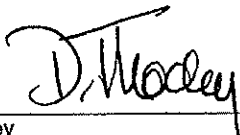
sign here ▶ _____
Company Secretary/Director

print name _____

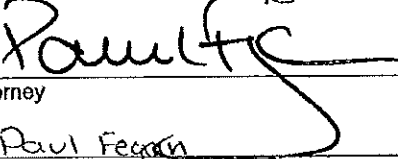
sign here ▶ _____
Director

print name _____

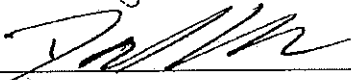
Signed, sealed and delivered by
Telstra Media Pty Limited
by its attorneys under a power of attorney dated 5 July 2011, and the attorneys declare that they
have not received any notice of the revocation of such power of attorney, in the presence of:

sign here ▶ 
Attorney

print name David Thodey

sign here ▶ 
Attorney

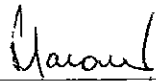
print name Paul Fegan

sign here ▶ 
Witness

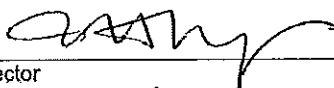
print name DAVID CLEE

Freehills

Executed by
Sky Cable Pty Limited
by

sign here ▶ 
Company Secretary/Director

print name PETER MACOUAT

sign here ▶ 
Director

print name Ian Philip

Executed by
FOXTEL Management Pty Limited
by

sign here ▶ _____
Company Secretary/Director

print name _____

sign here ▶ _____
Director

print name _____

Freehills

Executed by
Sky Cable Pty Limited
by

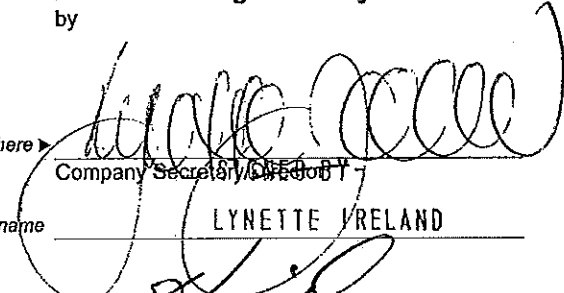
sign here ▶ _____
Company Secretary/Director

print name _____

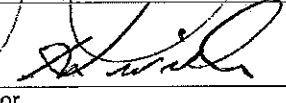
sign here ▶ _____
Director

print name _____

Executed by
FOXTEL Management Pty Limited
by

sign here ▶  _____
Company Secretary/Director

print name _____
LYNETTE IRELAND

sign here ▶  _____
Director

print name _____


Freehills

Signed, sealed and delivered by
Liberty Global, Inc.

by its attorney under a power of attorney dated 8 July 2011, and the attorney declares that it has not received any notice of the revocation of such power of attorney, in the presence of:

sign here ▶ 
Attorney


print name Michael Parshall

sign here ▶ 
Witness


print name **Kathryn Marie Thornton**

Signed, sealed and delivered by
LGI Bidco Pty Limited

by its attorney under a power of attorney dated 8 July 2011, and the attorney declares that it has not received any notice of the revocation of such power of attorney, in the presence of:

sign here ▶ 
Attorney

print name Michael Parshall

sign here ▶ 
Witness

print name **Kathryn Marie Thornton**

Timetable

Event	Timing
Reference Date (RD), being the later of: <ul style="list-style-type: none"> the date that Liberty receives a private letter ruling from the IRS acceptable to it (in its absolute discretion) relating to the United States federal tax treatment of the Transaction or waives clause 3.1(a)(3); and the date on which the parties are satisfied that the condition in clause 3.1(a)(1) has been satisfied. 	RD
Scheme Booklet provided to ASIC	RD + 5 Business Days
Last date for Substitution Notice to be given	RD + 7 Business Days
Execution of Deed Poll and Escrow Deed	RD + 16 Business Days
First Court Date ¹	RD + 17 Business Days
Mailing of Scheme Booklet complete	RD + 20 Business Days
FOXTEL external debt documents to be executed	RD + 34 Business Days
Execution of AUSTAR Charge or Substitute Security (as applicable)	RD + 39 Business Days
Scheme Meeting	RD + 41 Business Days
EGM	RD + 41 Business Days
Last day for satisfaction of conditions precedent to availability of funding under the FOXTEL external debt documents (subject to the exceptions referred to in clause 6.3(b)(ii) of the Liberty Restructure and Sale Deed)	RD + 42 Business Days
Estimated Total Scheme Consideration paid into Escrow	RD + 43 Business Days

¹ Subject to Court availability and completion of ASIC review of the Scheme Booklet if a Substitution Notice is given.

Freehills

Account	
Second Court Date ²	RD + 44 Business Days
'Contribution Date' under the Liberty Restructure and Sale Deed(Completion of Transaction Steps 1, 2 and 3)	RD + 44 Business Days (unless Court approval given after close of business, in which case it will be RD + 45)
AUSTAR to lodge with ASIC copy of Court order approving Scheme	RD + 45 Business Days
Effective Date, suspension of trading in AUSTAR Shares (from close of trading), drawdown under FOXTEL Funding Agreement	RD + 45 Business Days
Scheme Record Date	RD + 50 Business Days
Implementation Date	RD + 52 Business Days
AUSTAR delists from ASX ³	RD + 53 Business Days
'Latest Transfer Date' under the Liberty Restructure and Sale Deed	RD + 65 Business Days
'Conversion' under the Liberty Restructure and Sale Deed	RD + 75 Business Days
'Completion' under the Liberty Restructure and Sale Deed	RD + 78 Business Days

² Subject to Court availability.

³ Subject to ASX discretion.

Scheme of arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001 (Cth)*

Between the parties	
AUSTAR	AUSTAR United Communications Limited ACN 087 695 707 of Level 1, 46 – 52 Mountain Street, Ultimo, New South Wales, 2007
Scheme Shareholders	Each AUSTAR Shareholder as at the Scheme Record Date (other than Excluded Shareholders)

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) AUSTAR is a public company limited by shares, registered in New South Wales, and has been admitted to the official list of the ASX. AUSTAR Shares are quoted for trading on the ASX.
- (b) As at *[insert date]*, [1,271,505,737] AUSTAR Shares, and no other AUSTAR securities, were on issue.
- (c) Liberty is a corporation incorporated in the State of Delaware in the United States of America. Liberty's Series A, Series B and Series C common stock trade on the NASDAQ Global Select Market. The Bidder is a wholly-owned subsidiary of Liberty, registered in Victoria, Australia.
- (d) FOXTEL Management acts as agent for the FOXTEL Partnership and entered into the Deed Poll for and on behalf of the FOXTEL Partnership. FOXTEL Finco, registered in Victoria, Australia, is controlled by FOXTEL.
- (e) The Estimated Total Scheme Consideration is being held in escrow in the Escrow Account on the terms of the Escrow Deed.

- (f) An amount equal to the lesser of the Estimated Total Scheme Consideration and the Total Scheme Consideration will be paid into the Scheme Account before the Implementation Date on trust for Scheme Shareholders.
- (g) If the Estimated Total Scheme Consideration is less than the Total Scheme Consideration, the Bidder must pay the difference into the Scheme Account in sufficient time before the Implementation Date to enable AUSTAR to apply it towards payment of the Scheme Consideration to each Scheme Shareholder.
- (h) AUSTAR will deal with the Total Scheme Consideration in accordance with this Scheme.
- (i) If this Scheme becomes Effective:
 - (1) subject to FOXTEL Finco having deposited an amount not less than the Estimated Total Scheme Consideration into the Escrow Account by no later than 2:00pm on the date one Business Day before the Scheduled Second Court Date, in accordance with the direction in clause 4.7(a)(3) of the Implementation Deed, Liberty and the Bidder will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme and the Deed Poll; and
 - (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to the Bidder and AUSTAR will enter the name of the Bidder in the Share Register in respect of the Scheme Shares.
- (j) Among others, AUSTAR, FOXTEL, Liberty and Bidder have agreed, by executing the Implementation Deed, to implement this Scheme.
- (k) This Scheme attributes actions to Liberty, the Bidder, FOXTEL and FOXTEL Finco but does not itself impose an obligation on them to perform those actions. Liberty, the Bidder, FOXTEL and FOXTEL Finco have agreed, by executing the Deed Poll, to perform the actions attributed to them under this Scheme.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable to AUSTAR, FOXTEL Management and Liberty;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are acceptable to AUSTAR, FOXTEL Management and Liberty; and
- (e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme coming into effect,

pursuant to section 411(10) of the Corporations Act on or before the End Date (or any later date AUSTAR, FOXTEL Management and Liberty agree in writing).

3.2 Certificate

- (a) AUSTAR, FOXTEL Management and Liberty will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificates referred to in clause 3.2(a) constitute conclusive evidence that such conditions precedent are satisfied, waived or taken to be waived.

4 Implementation of the Scheme

4.1 Lodgement of Court orders with ASIC

AUSTAR will lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible and in any event by 5.00pm on the first Business Day after the day on which it receives that office copy of the Court order (or any later time and date AUSTAR, FOXTEL Management and Liberty agree in writing).

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to the Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by AUSTAR or any of its directors, officers and secretaries as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (1) AUSTAR delivering to the Bidder a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by AUSTAR, for registration; and
 - (2) the Bidder duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to AUSTAR for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), AUSTAR must enter, or procure the entry of, the name of the Bidder in the Share Register in respect of all the Scheme Shares.

5 Scheme Consideration

5.1 Provision of Scheme Consideration

- (a) On this Scheme becoming Effective:
 - (1) AUSTAR must give the Escrow Agent an instruction in the form contemplated by the Escrow Deed and signed by an authorised

signatory of AUSTAR attaching a copy of the Court order approving this Scheme, as soon as possible after it has been lodged with ASIC pursuant to clause 4.1. Pursuant to the Escrow Deed, the Escrow Agent will pay an amount equal to the lesser of the Estimated Total Scheme Consideration and the Total Scheme Consideration to the Scheme Account in sufficient time before the Implementation Date to enable (together with any amount paid by the Bidder under clause 2(g)) AUSTAR to pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account on the Implementation Date; and

- (2) Liberty and the Bidder must procure, and AUSTAR must use its best endeavours to procure, that an amount equal to the Total Scheme Consideration is transferred from the Escrow Account to the Scheme Account in sufficient time before the Implementation Date to enable AUSTAR to pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account on the Implementation Date.
- (b) On the Implementation Date, AUSTAR must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account.
- (c) The obligations of AUSTAR under clause 5.1(b) will be satisfied by AUSTAR (in its absolute discretion):
- (1) where a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the AUSTAR Registry to receive dividend payments from AUSTAR by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (2) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 5.1(c)(1), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).

5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Share Register as at the Scheme Record Date; and
- (b) any other document required to be sent under this Scheme, will be forwarded to the holder whose name appears first in the Share Register as at the Scheme Record Date.

5.3 Unclaimed money

- (a) AUSTAR may cancel a cheque issued under this clause 5 if the cheque:
 - (1) is returned to AUSTAR; or
 - (2) has not been presented for payment within six months after the date on which the cheque was sent.

- (b) During the period of one year commencing on the Implementation Date, on request from a Scheme Shareholder, AUSTAR must reissue a cheque that was previously cancelled under this clause.

5.4 Orders of a court etc.

If:

- (a) written notice is given to AUSTAR (or the AUSTAR Registry) of an order made by a court of competent jurisdiction that requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by AUSTAR in accordance with this clause 5, or AUSTAR is otherwise required under any applicable law to pay such sum to a third party, then AUSTAR shall be entitled to procure that payment is made in accordance with that order or those requirements; or
- (b) written notice is given to AUSTAR (or the AUSTAR Registry) of an order made by a court of competent jurisdiction that prevents AUSTAR from making a payment by AUSTAR to any particular Scheme Shareholder in accordance with clause 5.1(c), or such payment is otherwise prohibited by applicable law, AUSTAR shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as payment in accordance with this clause 5 is permitted by that order or otherwise by law.

6 Dealings in AUSTAR Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in AUSTAR Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Share Register as the holder of the relevant AUSTAR Shares on or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Scheme Record Date at the place where the Share Register is kept,

and AUSTAR will not accept for registration, nor recognise for any purpose (except a transfer to the Bidder pursuant to this Scheme and any subsequent transfer by the Bidder or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

- (a) AUSTAR must register registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) on or before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires AUSTAR to register a transfer that would result in an AUSTAR Shareholder holding a parcel of AUSTAR Shares that is less than a 'marketable parcel' (as defined in the Operating Rules of the ASX).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose

of, any Scheme Shares or any interest in them after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and AUSTAR shall be entitled to disregard any such disposal.

- (c) For the purpose of determining entitlements to the Scheme Consideration, AUSTAR must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for AUSTAR Shares (other than statements of holding in favour of the Bidder or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of the Bidder or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the AUSTAR Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, AUSTAR will ensure that details of the names, Registered Addresses and holdings of AUSTAR Shares for each Scheme Shareholder as shown in the Share Register are available to the Bidder in the form the Bidder reasonably requires.

7 Quotation of AUSTAR Shares

- (a) AUSTAR will apply to ASX to suspend trading on the ASX in AUSTAR Shares with effect from the close of trading on the Effective Date.
- (b) On the Business Day after the Implementation Date, AUSTAR will apply:
 - (1) for termination of the official quotation of AUSTAR Shares on the ASX; and
 - (2) to have itself removed from the official list of the ASX,with effect on and from close of trading on the Business Day after the Implementation Date or as soon as practicable thereafter.

8 General Scheme provisions

8.1 Consent to amendments to the Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) AUSTAR may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which FOXTEL Management and Liberty have consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
- (1) agrees to the transfer of their AUSTAR Shares together with all rights and entitlements attaching to those AUSTAR Shares in accordance with this Scheme;
 - (2) agrees to the variation, cancellation or modification of the rights attached to their AUSTAR Shares constituted by or resulting from this Scheme; and
 - (3) acknowledges that this Scheme binds AUSTAR and all Scheme Shareholders (including those who do not attend the Scheme Meeting or those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to AUSTAR and the Bidder, and appointed and authorised AUSTAR as its attorney and agent to warrant to the Bidder, that all their AUSTAR Shares (including any rights and entitlements attaching to those shares as at the Implementation Date) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and transfer their AUSTAR Shares to the Bidder together with any rights and entitlements attaching to those shares as at the Implementation Date. AUSTAR undertakes that it will provide such warranty to the Bidder as agent and attorney of each Scheme Shareholder.
- (c) No warranty given by a Scheme Shareholder under paragraph (b) is subject to or qualified by any information recorded in a public register or which is known, or ought following any enquiry become known, by AUSTAR, the Bidder or any other person.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) On and from the Effective Date, the Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by AUSTAR of the Bidder in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

On the Effective Date, and until AUSTAR registers the Bidder as the holder of all Scheme Shares in the Share Register:

- (a) each Scheme Shareholder is deemed to have appointed the Bidder as attorney and agent (and directed the Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by the Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
- (b) no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 8.4(a));

- (c) each Scheme Shareholder must take all other actions in the capacity of a registered holder of Scheme Shares as the Bidder reasonably directs; and
- (d) each Scheme Shareholder acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), the Bidder and any director, officer, secretary or agent nominated by the Bidder under clause 8.4(a) may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.

8.5 Authority given to AUSTAR

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints AUSTAR and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Liberty, the Bidder, FOXTEL and FOXTEL Finco and AUSTAR undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Liberty, the Bidder, FOXTEL and FOXTEL Finco on behalf of and as agent and attorney for Scheme Shareholders; and
- (b) on the Implementation Date, irrevocably appoints AUSTAR and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including executing the Scheme Transfer,

and AUSTAR accepts each such appointment. AUSTAR as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

8.6 Binding effect of Scheme

This Scheme binds AUSTAR and all of the Scheme Shareholders (including those who did not attend the meeting of AUSTAR Shareholders to vote on this Scheme, did not vote at that meeting, or voted against this Scheme at that meeting) and, to the extent of any inconsistency, overrides the constitution of AUSTAR.

9 General

9.1 Stamp duty

FOXTEL will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll or the steps to be taken under this Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to AUSTAR doing all things necessary or incidental to the implementation of this Scheme.

Freehills

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to AUSTAR, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at AUSTAR's registered office or at the office of the AUSTAR Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by an AUSTAR Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law

- (a) This Scheme is governed by the laws in force in New South Wales.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

AUSTAR must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

None of AUSTAR, Liberty, the Bidder, FOXTEL or FOXEL Finco, nor any director, officer or secretary of any of those companies, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
AUSTAR	AUSTAR United Communications Limited ACN 087 695 707.
AUSTAR Registry	Computershare Investor Services Pty Limited ACN 078 279 277.
AUSTAR Share	a fully paid ordinary share in AUSTAR.
AUSTAR Shareholder	each person who is registered as the holder of an AUSTAR Share at the relevant time.
Bidder	LGI Bidco Pty Limited ACN 151 767 449, an indirectly wholly owned subsidiary of Liberty.
Business Day	has the same meaning as in the Listing Rules.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited ACN 008 504 532 and ASX Clear Pty Limited ACN 001 314 503.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by AUSTAR, FOXTEL Management and Liberty.

Term	Meaning
Deed Poll	the deed poll substantially in the form of Attachment 1 by Liberty, the Bidder, FOXTEL Management and FOXTEL Finco in favour of the Scheme Shareholders.
Effective	when used in relation to this Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to this Scheme.
Effective Date	the date on which this Scheme becomes Effective.
End Date	29 February 2012 (or such other date as AUSTAR, FOXTEL Management and Liberty agree in writing).
Escrow Account	the corporate trust account in the name of the Escrow Agent as trustee under the Escrow Deed at Australia and New Zealand Banking Group Limited, or such other bank agreed by the parties to the Escrow Deed from time to time.
Escrow Agent	Computershare Investor Services Pty Limited ACN 078 279 277 (or such other person as AUSTAR, FOXTEL Management and Liberty agree in writing).
Escrow Deed	a escrow deed dated [insert date] between FOXTEL Finco, the Bidder and the Escrow Agent setting out the terms of operation of the Escrow Account.
Estimated Total Scheme Consideration	AUSTAR's estimate of the Total Scheme Consideration based on the total number of AUSTAR Shares held by AUSTAR Shareholders (other than Excluded Shareholders) as notified to FOXTEL Management by AUSTAR on a date falling at least 3 Business Days before the Second Court Date in accordance with the requirements of the Implementation Deed.
Excluded Shareholder	United Astar Partners, United AUN, LLC and any other AUSTAR Shareholder who, at any relevant time, is a Liberty Group Member or any AUSTAR Shareholder to the extent that, at any relevant time, it holds AUSTAR Shares on behalf of, or for the benefit of, any Liberty Group Member.
FOXTEL	Telstra Media and Sky Cable, when acting in their capacity as the partners of the FOXTEL Partnership, and FOXTEL Management, when acting in its capacity as agent for the FOXTEL Partnership, collectively.
FOXTEL Finco	FOXTEL Finance Pty Limited ACN 151 691 897.
FOXTEL Funding Agreement	the agreement for the provision of the Scheme Funding entered into between AUSTAR, FOXTEL Finco and the Bidder on or about the date of the Implementation Deed.

Term	Meaning
FOXTEL Management	FOXTEL Management Pty Limited ACN 068 671 938 in its capacity as agent for the FOXTEL Partnership.
FOXTEL Partnership	the FOXTEL Partnership, a partnership between Telstra Media and Sky Cable under a partnership agreement dated 14 April 1997 (as amended and restated on 3 December 1998).
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
Implementation Date	the second Business Day after the Scheme Record Date, or such other day as AUSTAR, FOXTEL Management and Liberty agree in writing.
Implementation Deed	the implementation deed dated 8 July 2011 between, among others, AUSTAR, FOXTEL, Liberty and the Bidder relating to the implementation of this Scheme.
Liberty	Liberty Global, Inc., a Delaware corporation, of 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America.
Liberty Group Member	any of Liberty and its subsidiaries and controlled entities, excluding AUSTAR and each of its subsidiaries and controlled entities .
Listing Rules	the official listing rules of the ASX.
Registered Address	in relation to a Scheme Shareholder, the address of the Scheme Shareholder shown in the Share Register as at the Scheme Record Date.
Scheduled Second Court Date	AUSTAR's indication of the Second Court Date notified on a date falling at least 3 Business Days before the Second Court Date in accordance with the requirements of the Implementation Deed.
Scheme	this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by AUSTAR, FOXTEL Management and Liberty.
Scheme Account	an Australian dollar denominated trust account operated by AUSTAR in accordance with this Scheme.

Term	Meaning
Scheme Consideration	the consideration to be provided by the Bidder to each Scheme Shareholder for the transfer to the Bidder of each Scheme Share, being \$1.52 per Scheme Share, as reduced by the per share cash amount or value of any dividend, return of capital or other distribution by AUSTAR to AUSTAR Shareholders, the record date for which falls between the date of the Implementation Deed and the Implementation Date (both dates inclusive).
Scheme Funding	the funding by FOXTEL Finco of the Estimated Total Scheme Consideration in accordance with the FOXTEL Funding Agreement.
Scheme Meeting	the meeting of AUSTAR Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.
Scheme Record Date	7.00pm on the fifth Business Day after the Effective Date or such other day as AUSTAR, FOXTEL Management and Liberty agree in writing.
Scheme Share	an AUSTAR Share held by a Scheme Shareholder as at the Scheme Record Date.
Scheme Shareholder	an AUSTAR Shareholder as at the Scheme Record Date (other than an Excluded Shareholder).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of the Bidder as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard.
Sky Cable	Sky Cable Pty Limited ACN 069 799 640.
Share Register	the register of members of AUSTAR maintained in accordance with the Corporations Act.
subsidiary	has the meaning given in the Corporations Act and also includes an entity that would be a subsidiary (within the meaning given in the Corporations Act) of another entity were both entities bodies corporate.
Telstra Media	Telstra Media Pty Limited ACN 069 279 027.
Total Scheme	an amount equal to the aggregate amount of Scheme Consideration payable

Term	Meaning
Consideration	to all Scheme Shareholders under this Scheme.

2 Interpretation

In this Scheme headings and bold type are for convenience only and do not affect the interpretation of this Scheme and, unless the context requires otherwise:

- (a) the singular includes the plural and the plural includes the singular;
- (b) words of any gender include all genders;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (d) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (e) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this Scheme;
- (f) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re enactments of any of them;
- (g) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document, except to the extent prohibited by this Scheme or that other document;
- (h) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (i) a reference to any time is a reference to that time in Sydney, New South Wales;
- (j) a reference to a party to a document includes that party's successors and permitted assignees;
- (k) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally; and
- (n) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

Freehills

Attachment 1

Deed Poll

Scheme of arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties	
AUSTAR	AUSTAR United Communications Limited ACN 087 695 707 of Level 1, 46 – 52 Mountain Street, Ultimo, New South Wales, 2007
Scheme Shareholders	Each AUSTAR Shareholder as at the Scheme Record Date (other than Excluded Shareholders)

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) AUSTAR is a public company limited by shares, registered in New South Wales, and has been admitted to the official list of the ASX. AUSTAR Shares are quoted for trading on the ASX.
- (b) As at [*insert date*], [1,271,505,737] AUSTAR Shares, and no other AUSTAR securities, were on issue.
- (c) Liberty is a corporation incorporated in the State of Delaware in the United States of America. Liberty's Series A, Series B and Series C common stock

trade on the NASDAQ Global Select Market. The Bidder is a wholly-owned subsidiary of Liberty, registered in Victoria, Australia.

- (d) If this Scheme becomes Effective:
 - (1) Liberty and the Bidder will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme and the Deed Poll; and
 - (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to the Bidder and AUSTAR will enter the name of the Bidder in the Share Register in respect of the Scheme Shares.
- (e) Among others, AUSTAR, Liberty and the Bidder have agreed, by executing the Implementation Deed, to implement this Scheme.
- (f) This Scheme attributes actions to Liberty and the Bidder but does not itself impose an obligation on them to perform those actions. Liberty and the Bidder have agreed, by executing the Deed Poll, to perform the actions attributed to them under this Scheme.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable to AUSTAR, FOXTEL Management and Liberty;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are acceptable to AUSTAR, FOXTEL Management and Liberty; and
- (e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to section 411(10) of the Corporations Act on or before the End Date (or any later date AUSTAR, FOXTEL Management and Liberty agree in writing).

3.2 Certificate

- (a) AUSTAR and Liberty will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificates referred to in clause 3.2(a) constitute conclusive evidence that such conditions precedent are satisfied, waived or taken to be waived.

4 Implementation of the Scheme

4.1 Lodgement of Court orders with ASIC

AUSTAR will lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible and in any event by 5.00pm on the first Business Day after the day on which it receives that office copy of the Court order (or any later time and date AUSTAR, FOXTEL Management and Liberty agree in writing).

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to the Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by AUSTAR or any of its directors, officers and secretaries as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (1) AUSTAR delivering to the Bidder a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by AUSTAR, for registration; and
 - (2) the Bidder duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to AUSTAR for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), AUSTAR must enter, or procure the entry of, the name of the Bidder in the Share Register in respect of all the Scheme Shares.

5 Scheme Consideration

5.1 Provision of Scheme Consideration

- (a) On this Scheme becoming Effective, the Bidder must, Liberty must procure that the Bidder, and AUSTAR must use its best endeavours to procure that the Bidder, deposits, in cleared funds, an amount equal to the Total Scheme Consideration in the Scheme Account in sufficient time before the Implementation Date to enable AUSTAR to pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account on the Implementation Date.
- (b) On the Implementation Date, AUSTAR must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account.
- (c) The obligations of AUSTAR under clause 5.1(b) will be satisfied by AUSTAR (in its absolute discretion):
 - (1) where a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the AUSTAR Registry to receive dividend payments from AUSTAR by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (2) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 5.1(c)(1), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).

5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Share Register as at the Scheme Record Date; and
- (b) any other document required to be sent under this Scheme, will be forwarded to the holder whose name appears first in the Share Register as at the Scheme Record Date.

5.3 Unclaimed money

- (a) AUSTAR may cancel a cheque issued under this clause 5 if the cheque:
 - (1) is returned to AUSTAR; or

- (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, on request from a Scheme Shareholder, AUSTAR must reissue a cheque that was previously cancelled under this clause.

5.4 Orders of a court etc.

If:

- (a) written notice is given to AUSTAR (or the AUSTAR Registry) of an order made by a court of competent jurisdiction that requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by AUSTAR in accordance with this clause 5, or AUSTAR is otherwise required under any applicable law to pay such sum to a third party, then AUSTAR shall be entitled to procure that payment is made in accordance with that order or those requirements; or
- (b) written notice is given to AUSTAR (or the AUSTAR Registry) of an order made by a court of competent jurisdiction that prevents AUSTAR from making a payment by AUSTAR to any particular Scheme Shareholder in accordance with clause 5.1(c), or such payment is otherwise prohibited by applicable law, AUSTAR shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as payment in accordance with this clause 5 is permitted by that order or otherwise by law.

6 Dealings in AUSTAR Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in AUSTAR Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Share Register as the holder of the relevant AUSTAR Shares on or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Scheme Record Date at the place where the Share Register is kept,

and AUSTAR will not accept for registration, nor recognise for any purpose (except a transfer to the Bidder pursuant to this Scheme and any subsequent transfer by the Bidder or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

- (a) AUSTAR must register registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) on or before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires AUSTAR to register a transfer that would result in an AUSTAR Shareholder holding a parcel of AUSTAR Shares that is less than a 'marketable parcel' (as defined in the Operating Rules of the ASX).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of, any Scheme Shares or any interest in them after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and AUSTAR shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, AUSTAR must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for AUSTAR Shares (other than statements of holding in favour of the Bidder or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of the Bidder or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the AUSTAR Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, AUSTAR will ensure that details of the names, Registered Addresses and holdings of AUSTAR Shares for each Scheme Shareholder as shown in the Share Register are available to the Bidder in the form the Bidder reasonably requires.

7 Quotation of AUSTAR Shares

- (a) AUSTAR will apply to ASX to suspend trading on the ASX in AUSTAR Shares with effect from the close of trading on the Effective Date.
- (b) On the Business Day after the Implementation Date, AUSTAR will apply:
 - (1) for termination of the official quotation of AUSTAR Shares on the ASX; and
 - (2) to have itself removed from the official list of the ASX,with effect on and from close of trading on the Business Day after the Implementation Date or as soon as practicable thereafter.

8 General Scheme provisions

8.1 Consent to amendments to the Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) AUSTAR may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Liberty and FOXTEL Management have consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
 - (1) agrees to the transfer of their AUSTAR Shares together with all rights and entitlements attaching to those AUSTAR Shares in accordance with this Scheme;
 - (2) agrees to the variation, cancellation or modification of the rights attached to their AUSTAR Shares constituted by or resulting from this Scheme; and
 - (3) acknowledges that this Scheme binds AUSTAR and all Scheme Shareholders (including those who do not attend the Scheme Meeting or those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to AUSTAR and the Bidder, and appointed and authorised AUSTAR as its attorney and agent to warrant to the Bidder, that all their AUSTAR Shares (including any rights and entitlements attaching to those shares as at the Implementation Date) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and transfer their AUSTAR Shares to the Bidder together with any rights and entitlements attaching to those shares as at the Implementation Date. AUSTAR undertakes that it will provide such warranty to the Bidder as agent and attorney of each Scheme Shareholder.
- (c) No warranty given by a Scheme Shareholder under paragraph (b) is subject to or qualified by any information recorded in a public register or which is known, or ought following any enquiry become known, by AUSTAR, the Bidder or any other person.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.

- (b) On and from the Effective Date, the Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by AUSTAR of the Bidder in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

On the Effective Date, and until AUSTAR registers the Bidder as the holder of all Scheme Shares in the Share Register:

- (a) each Scheme Shareholder is deemed to have appointed the Bidder as attorney and agent (and directed the Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by the Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
- (b) no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 8.4(a));
- (c) each Scheme Shareholder must take all other actions in the capacity of a registered holder of Scheme Shares as the Bidder reasonably directs; and
- (d) each Scheme Shareholder acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), the Bidder and any director, officer, secretary or agent nominated by the Bidder under clause 8.4(a) may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.

8.5 Authority given to AUSTAR

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints AUSTAR and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Liberty and the Bidder and AUSTAR undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Liberty and the Bidder on behalf of and as agent and attorney for Scheme Shareholders; and
- (b) on the Implementation Date, irrevocably appoints AUSTAR and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including executing the Scheme Transfer,

and AUSTAR accepts each such appointment. AUSTAR as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

8.6 Binding effect of Scheme

This Scheme binds AUSTAR and all of the Scheme Shareholders (including those who did not attend the meeting of AUSTAR Shareholders to vote on this Scheme, did not vote

at that meeting, or voted against this Scheme at that meeting) and, to the extent of any inconsistency, overrides the constitution of AUSTAR.

9 General

9.1 Stamp duty

Liberty and the Bidder will procure that FOXTEL:

- (a) pays all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll or the steps taken under this Scheme and the Deed Poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from FOXTEL's failure to make the payments contemplated by clause 9.1(a)..

9.2 Consent

Each of the Scheme Shareholders consents to AUSTAR doing all things necessary or incidental to the implementation of this Scheme.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to AUSTAR, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at AUSTAR's registered office or at the office of the AUSTAR Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by an AUSTAR Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law

- (a) This Scheme is governed by the laws in force in New South Wales.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

AUSTAR must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

None of AUSTAR, Liberty or the Bidder, nor any director, officer or secretary of any of those companies, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
AUSTAR	AUSTAR United Communications Limited ACN 087 695 707.
AUSTAR Registry	Computershare Investor Services Pty Limited ACN 078 279 277.
AUSTAR Share	a fully paid ordinary share in AUSTAR.
AUSTAR Shareholder	each person who is registered as the holder of an AUSTAR Share at the relevant time.
Bidder	LGI Bidco Pty Limited ACN 151 767 449, an indirectly wholly owned subsidiary of Liberty.
Business Day	has the same meaning as in the Listing Rules.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited ACN 008 504 532 and ASX Clear Pty Limited ACN 001 314 503.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).

Term	Meaning
Court	the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by AUSTAR, FOXTEL Management and Liberty.
Deed Poll	the deed poll substantially in the form of Attachment 1 by Liberty and the Bidder in favour of the Scheme Shareholders.
Effective	when used in relation to this Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to this Scheme.
Effective Date	the date on which this Scheme becomes Effective.
End Date	29 February 2012 (or such other date as AUSTAR, FOXTEL Management and Liberty agree in writing).
Excluded Shareholder	United Austar Partners, United AUN, LLC and any other AUSTAR Shareholder who, at any relevant time, is a Liberty Group Member or any AUSTAR Shareholder to the extent that, at any relevant time, it holds AUSTAR Shares on behalf of, or for the benefit of, any Liberty Group Member.
FOXTEL	Telstra Media Pty Limited ACN 069 279 027 and Sky Cable Pty Limited ACN 069 799 640, when acting in their capacity as the partners of the partnership between them under a partnership agreement dated 14 April 1997 (as amended and restated on 3 December 1998), and FOXTEL Management Pty Limited ACN 068 671 938, when acting in its capacity as agent for the partners, collectively.
FOXTEL Management	FOXTEL Management Pty Limited ACN 068 671 938 in its capacity as agent for the FOXTEL Partnership
FOXTEL Partnership	the FOXTEL Partnership, a partnership between Telstra Media Pty Limited ACN 069 279 027 and Sky Cable Pty Limited ACN 069 799 640 under a partnership agreement dated 14 April 1997 (as amended and restated on 3 December 1998).
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
Implementation Date	the second Business Day after the Scheme Record Date, or such other day as AUSTAR, FOXTEL Management and Liberty agree in writing.

Term	Meaning
Implementation Deed	the scheme implementation deed dated 8 July 2011 between, among others, AUSTAR, FOXTEL, Liberty and the Bidder relating to the implementation of this Scheme.
Liberty	Liberty Global, Inc., a Delaware corporation, of 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America.
Liberty Group Member	any of Liberty and its subsidiaries and controlled entities, excluding AUSTAR and each of its subsidiaries and controlled entities .
Listing Rules	the official listing rules of the ASX.
Registered Address	in relation to a Scheme Shareholder, the address of the Scheme Shareholder shown in the Share Register as at the Scheme Record Date.
Scheme	this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by AUSTAR, FOXTEL Management and Liberty.
Scheme Account	an Australian dollar denominated trust account operated by AUSTAR in accordance with this Scheme.
Scheme Consideration	the consideration to be provided by the Bidder to each Scheme Shareholder for the transfer to the Bidder of each Scheme Share, being \$1.52 per Scheme Share, as reduced by the per share cash amount or value of any dividend, return of capital or other distribution by AUSTAR to AUSTAR Shareholders, the record date for which falls between the date of the Implementation Deed and the Implementation Date (both dates inclusive).
Scheme Meeting	the meeting of AUSTAR Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.
Scheme Record Date	7.00pm on the fifth Business Day after the Effective Date or such other day as AUSTAR, FOXTEL Management and Liberty agree in writing.
Scheme Share	an AUSTAR Share held by a Scheme Shareholder as at the Scheme Record Date.
Scheme Shareholder	an AUSTAR Shareholder as at the Scheme Record Date (other than an Excluded Shareholder).

Term	Meaning
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of the Bidder as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard.
subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act and also includes an entity that would be a subsidiary (within the meaning given in the Corporations Act) of another entity were both entities bodies corporate.
Share Register	the register of members of AUSTAR maintained in accordance with the Corporations Act.
Total Scheme Consideration	an amount equal to the aggregate amount of Scheme Consideration payable to all Scheme Shareholders under this Scheme.

2 Interpretation

In this Scheme headings and bold type are for convenience only and do not affect the interpretation of this Scheme and, unless the context requires otherwise:

- (a) the singular includes the plural and the plural includes the singular;
- (b) words of any gender include all genders;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (d) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (e) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this Scheme;
- (f) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re enactments of any of them;
- (g) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document, except to the extent prohibited by this Scheme or that other document;

- (h) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (i) a reference to any time is a reference to that time in Sydney, New South Wales;
- (j) a reference to a party to a document includes that party's successors and permitted assignees;
- (k) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally; and
- (n) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

Freehills

Attachment 1

Deed Poll

Deed poll

Date ►

This deed poll is made

By each of	
Liberty	Liberty Global, Inc. of 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America
Bidder	LGI Bidco Pty Limited ACN 151 767 449 of Level 7, Gold Fields House, 1 Alfred Street, Sydney, New South Wales 2000
FOXTEL Finco	FOXTEL Finance Pty Ltd ACN 151 691 897 of 5 Thomas Holt Drive, North Ryde, New South Wales 2113,
FOXTEL	FOXTEL Management Pty Limited ACN 068 671 938 of 5 Thomas Holt Drive, North Ryde, New South Wales, in its capacity, unless otherwise specified, as agent for the FOXTEL Partnership
in favour of	Each AUSTAR Shareholder as at the Scheme Record Date (other than Excluded Shareholders).
Recitals	<ol style="list-style-type: none"> 1 Among others, AUSTAR, FOXTEL, Liberty and Bidder entered into the Implementation Deed. 2 In the Implementation Deed, Liberty agreed to enter into this deed poll and to procure that the Bidder enter into this deed poll, and FOXTEL agreed to enter into this deed poll and to procure that FOXTEL Finco enter into this deed poll. 3 Liberty, the Bidder, FOXTEL and FOXTEL Finco are entering into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their respective obligations under the Implementation Deed and the Scheme.
This deed poll provides as follows:	

1 Definitions and interpretation

1.1 Definitions

- (a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
Scheme	the proposed scheme of arrangement under Part 5.1 of the Corporations Act between AUSTAR and the Scheme Shareholders, the form of which is set out in Attachment 1 subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by AUSTAR, FOXTEL and Liberty.

- (b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Section 2 of Schedule 1 of the Scheme applies to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Liberty, the Bidder, FOXTEL and FOXTEL Finco acknowledge that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints AUSTAR and each of its directors, officers and secretaries (jointly and severally) as its attorney and agent for the purpose of enforcing this deed poll against Liberty, the Bidder, FOXTEL and FOXTEL Finco.

2 Conditions to obligations

2.1 Conditions

- (a) Clause 3.1(a) takes effect on the date that AUSTAR Shareholders pass a resolution to approve the Scheme at the Scheme Meeting by the requisite majorities under the Corporations Act.
- (b) Subject to clause 2.1(a), the obligations of Liberty, the Bidder, FOXTEL and FOXTEL Finco under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Liberty, the Bidder, FOXTEL and FOXTEL Finco under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Liberty, the Bidder, FOXTEL and FOXTEL Finco are released from their obligations to further perform this deed poll except those obligations under clause 6.2; and
- (b) each Scheme Shareholder retains the rights they have against Liberty, the Bidder, FOXTEL or FOXTEL Finco in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme obligations

3.1 Undertaking to pay Total Scheme Consideration into Escrow Account

Subject to clause 2, each of FOXTEL and FOXTEL Finco undertakes in favour of each Scheme Shareholder that:

- (a) FOXTEL Finco will deposit, and FOXTEL will procure that FOXTEL Finco deposits, (in cleared funds) an amount not less than the Estimated Total Scheme Consideration into the Escrow Account by no later than 2:00pm on the date one Business Day before the Scheduled Second Court Date; and
- (b) it will undertake all other actions attributed to it under the Scheme, subject to and in accordance with the provisions of the Scheme.

3.2 Undertaking to provide Scheme Consideration

Subject to clause 2, each of Liberty and the Bidder undertakes in favour of each Scheme Shareholder that:

- (a) subject to FOXTEL Finco depositing the Estimated Total Scheme Consideration into the Escrow Account as contemplated by clause 3.1(a):
 - (1) Liberty and the Bidder will procure that an amount equal to the lesser of the Estimated Total Scheme Consideration and the Total Scheme Consideration is transferred from the Escrow Account to the Scheme Account in sufficient time before the Implementation Date to enable AUSTAR to pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account on the Implementation Date;
 - (2) if the Estimated Total Scheme Consideration is less than the Total Scheme Consideration, the Bidder will pay, and Liberty will procure that the Bidder pays, the difference into the Scheme Account in sufficient time before the Implementation Date to enable AUSTAR to apply it towards payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account on the Implementation Date;
 - (3) the Bidder will pay (or procure payment of), and Liberty will procure that the Bidder pays (or procures payment of), the Scheme

Consideration to each Scheme Shareholder for each Scheme Share in accordance with the terms of the Scheme; and

- (b) it will undertake all other actions attributed to it under the Scheme, subject to and in accordance with the provisions of the Scheme.

4 Warranties

- (a) Each of Liberty, the Bidder, FOXTEL (in its personal capacity) and FOXTEL Finco represents and warrants that:
 - (1) it is a corporation validly existing under the laws of its place of registration;
 - (2) it has the corporate power to execute, deliver, and perform its obligations under, this deed poll and to carry out the transactions contemplated by this deed poll;
 - (3) it has taken all necessary corporate action to authorise its execution and delivery of this deed poll and has taken all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
 - (4) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
 - (5) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.
- (b) FOXTEL represents and warrants that:
 - (1) it has full corporate power and lawful authority to execute, deliver and perform its obligations under this deed poll, and carry out the transactions contemplated by this deed poll, on behalf of the FOXTEL Partnership;
 - (2) its execution and delivery of this deed poll, performance of this deed poll and the carrying out of the transactions contemplated by this deed poll, on behalf of the FOXTEL Partnership has been properly authorised by all necessary action of the FOXTEL Partnership;
 - (3) this deed poll is a legal, valid and binding obligation of the FOXTEL Partnership, enforceable in accordance with its terms against the FOXTEL Partnership; and
 - (4) this deed poll does not conflict with, or result in the breach of or default under, any provision of any agreement forming or regulating the FOXTEL Partnership, or any writ, order or injunction, judgment, law, rule or regulation to which FOXTEL or any partner of the FOXTEL Partnership is a party or subject or by which FOXTEL or any partner of the FOXTEL Partnership is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Liberty, the Bidder, FOXTEL and FOXTEL Finco have fully performed their obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 General

6.1 Notices

Any communication under or in connection with this deed poll:

- (a) must be in legible writing. A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after transmission is received or regarded as received under clause 6.1(f)(2) and informs the sender that it is not legible;
- (b) must be in English; and
- (c) must be addressed as shown below:

Party	Address	Addressee	Fax
Liberty or Bidder	12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America	Legal Department	0011 1 303 220 6691
	With a copy to: Allen & Overy Level 7, Gold Fields House, 1 Alfred Street, Sydney, NSW, 2000, Australia	Michael Parshall	+61 2 9373 7710
FOXTEL or FOXTEL Finco	5 Thomas Holt Drive North Ryde Sydney, NSW, 2113	General Counsel / Chief Financial Officer	+61 2 9813 7606 / +61 2 9813 6113
	With a copy to: Allens Arthur Robinson 126 Phillip Street Sydney NSW 2000 Australia	Kylie Brown / Marcus Clark	+ 61 2 9230 5333

(or as otherwise notified by that party to the other parties from time to time);

- (d) must be signed by the person making the communication or by a person duly authorised by that person;
- (e) must be delivered or posted by prepaid post to the address, or sent by fax to the fax number, of the addressee, in accordance with clause 6.1(c); and

- (f) is regarded as received by the addressee:
- (1) if sent by prepaid post, on the third Business Day after the date of posting to an address within Australia, and on the third Business Day after the date of posting to an address outside Australia;
 - (2) if sent by fax, at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day in the place of receipt, when that communication will be regarded as received at 9.00am on the next Business Day; and
 - (3) if delivered by hand, on delivery at the address of the addressee as provided in clause 6.1(c), unless delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be regarded as received at 9.00am on the next Business Day.

6.2 Stamp duty

FOXTEL will:

- (a) pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll or the steps to be taken under the Scheme and this deed poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 6.2(a).

6.3 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales.
- (b) Liberty, the Bidder, FOXTEL and FOXTEL Finco irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Liberty, the Bidder, FOXTEL and FOXTEL Finco irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

6.4 Process agent

Liberty:

- (a) irrevocably appoints Allen & Overy, Level 7, Gold Fields House, 1 Alfred Street, Sydney, NSW, 2000 Australia (Attention Michael Parshall/Michael Reede) as its agent to accept service of process and other documents in any legal action or proceedings arising out of or in any way related to this deed and related non-contractual matters before courts of New South Wales and courts competent to hear appeals from those courts;
- (b) must ensure that at all times, the agent or a replacement acceptable to AUSTAR remains present, authorised and able to accept service of process and other documents on its behalf and, if there is a replacement, it must immediately notify the other parties and provide them with satisfactory evidence of the replacement's acceptance of its appointment; and
- (c) agrees that service of any process or documents on the agent (or any replacement) will be sufficient service on it.

6.5 Waiver

- (a) Liberty, the Bidder, FOXTEL and FOXTEL Finco may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on words or conduct of Liberty, the Bidder, FOXTEL or FOXTEL Finco as a waiver of any right unless the waiver is in writing and signed by Liberty, the Bidder, FOXTEL or FOXTEL Finco, as appropriate.
- (c) The meanings of the terms used in this clause 6.4 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

6.6 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by AUSTAR, Liberty and FOXTEL; or
- (b) if on or after the First Court Date, the variation is agreed to by AUSTAR, Liberty and FOXTEL and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Liberty, the Bidder, FOXTEL and FOXTEL Finco must will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.7 Cumulative rights

The rights, powers and remedies of Liberty, the Bidder, FOXTEL, FOXTEL Finco and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

6.8 Assignment

- (a) The rights created by this deed poll are personal to Liberty, the Bidder, FOXTEL, FOXTEL Finco and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Liberty or the Bidder, as the case may be.
- (b) Any purported dealing in contravention of clause 6.8(a) is invalid.

6.9 Joint and several obligations

- (a) Liberty and the Bidder are jointly and severally liable for each obligation imposed on either or both of them by the terms of this deed poll.
- (b) FOXTEL and FOXTEL Finco are jointly and severally liable for each obligation imposed on either or both of them by the terms of this deed poll.
- (c) Liberty and the Bidder are not liable for any obligation of FOXTEL or FOXTEL Finco under this deed poll.
- (d) FOXTEL and FOXTEL Finco are not liable for any obligation of Liberty or the Bidder under this deed poll.

6.10 Further action

Liberty, the Bidder, FOXTEL and FOXTEL Finco must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

6.11 Counterparts

- (a) This deed poll may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this deed poll by signing any counterpart.

Freehills

Attachment 1

Scheme

Executed as a deed poll

Signed, sealed and delivered by
Liberty Global, Inc.

by its attorney under a power of attorney dated 8 July 2011, and the attorney declares that it has not received any notice of the revocation of such power of attorney, in the presence of:

sign here ► _____
Attorney

print name _____

sign here ► _____
Witness

print name _____

Signed, sealed and delivered by
LGI Bidco Pty Limited

by its attorney under a power of attorney dated 8 July 2011, and the attorney declares that it has not received any notice of the revocation of such power of attorney, in the presence of:

sign here ► _____
Attorney

print name _____

sign here ► _____
Witness

print name _____

Signed, sealed and delivered by

FOXTEL Management Pty Limited as agent for the **FOXTEL Partnership**

by

sign here ▶ _____
Company Secretary/Director

print name _____

sign here ▶ _____
Director

print name _____

Signed, sealed and delivered by

FOXTEL Finance Pty Limited

by

sign here ▶ _____
Company Secretary/Director

print name _____

sign here ▶ _____
Director

print name _____

Deed poll

Date ►

This deed poll is made

By each of	
Liberty	Liberty Global, Inc. of 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America
Bidder	LGI Bidco Pty Limited ACN 151 767 449 of Level 7, Gold Fields House, 1 Alfred Street, Sydney, NSW, Australia
in favour of	Each AUSTAR Shareholder as at the Scheme Record Date (other than Excluded Shareholders).
Recitals	<ol style="list-style-type: none"> 1 Among others, AUSTAR, FOXTEL, Liberty and Bidder entered into the Implementation Deed. 2 In the Implementation Deed, Liberty agreed to enter into this deed poll and to procure that the Bidder enter into this deed poll. 3 Liberty and the Bidder are entering into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their respective obligations under the Implementation Deed and the Scheme.
This deed poll provides as follows:	

1 Definitions and interpretation

1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
Scheme	the proposed scheme of arrangement under Part 5.1 of the Corporations Act between AUSTAR and the Scheme Shareholders, the form of which is set out in Attachment 1 subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by AUSTAR, FOXTEL and Liberty.

(b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Section 2 of Schedule 1 of the Scheme applies to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Liberty and the Bidder acknowledge that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints AUSTAR and each of its directors, officers and secretaries (jointly and severally) as its attorney and agent for the purpose of enforcing this deed poll against Liberty and the Bidder.

2 Conditions to obligations

2.1 Conditions

The obligations of Liberty and the Bidder under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Liberty and the Bidder under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Liberty and the Bidder are released from their obligations to further perform this deed poll except those obligations under clause 6.2; and
- (b) each Scheme Shareholder retains the rights they have against Liberty and the Bidder in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme obligations

3.1 Undertaking to provide Scheme Consideration

Subject to clause 2, each of Liberty and the Bidder undertakes in favour of each Scheme Shareholder that:

- (a) the Bidder will deposit, in cleared funds, an amount equal to the Total Scheme Consideration in the Scheme Account in sufficient time before the Implementation Date to enable AUSTAR to pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Scheme Account on the Implementation Date; and
- (b) it will undertake all other actions attributed to it under the Scheme, subject to and in accordance with the provisions of the Scheme.

4 Warranties

Each of Liberty and the Bidder represent and warrant that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the

performance of this deed poll and to carry out the transactions contemplated by this deed poll;

- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Liberty and the Bidder have fully performed their obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 General

6.1 Notices

Any communication under or in connection with this deed poll:

- (a) must be in legible writing. A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after transmission is received or regarded as received under clause 6.1(f)(2) and informs the sender that it is not legible;
- (b) must be in English; and
- (c) must be addressed as shown below:

Party	Address	Addressee	Fax
Liberty or Bidder	12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America	Legal Department	0011 1 303 220 6691
	With a copy to: Allen & Overy Level 7, Gold Fields House, 1 Alfred Street, Sydney, NSW, 2000, Australia	Michael Parshall	+61 2 9373 7710

(or as otherwise notified by that party to the other parties from time to time);

- (d) must be signed by the person making the communication or by a person duly authorised by that person;

- (e) must be delivered or posted by prepaid post to the address, or sent by fax to the fax number, of the addressee, in accordance with clause 6.1(c); and
- (f) is regarded as received by the addressee:
 - (1) if sent by prepaid post, on the third Business Day after the date of posting to an address within Australia, and on the third Business Day after the date of posting to an address outside Australia;
 - (2) if sent by fax, at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day in the place of receipt, when that communication will be regarded as received at 9.00am on the next Business Day; and
 - (3) if delivered by hand, on delivery at the address of the addressee as provided in clause 6.1(c), unless delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be regarded as received at 9.00am on the next Business Day.

6.2 Stamp duty

Liberty and the Bidder will procure that FOXTEL:

- (a) pays all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from FOXTEL's failure to make the payments contemplated by clause 6.2(a).

6.3 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales.
- (b) Liberty and the Bidder irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Liberty and the Bidder irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

6.4 Process agent

Liberty:

- (a) irrevocably appoints Allen & Overy, Level 7, Gold Fields House, 1 Alfred Street, Sydney, NSW, 2000 Australia (Attention Michael Parshall/Michael Reede) as its agent to accept service of process and other documents in any legal action or proceedings arising out of or in any way related to this deed and related non-contractual matters before courts of New South Wales and courts competent to hear appeals from those courts;

- (b) must ensure that at all times, the agent or a replacement acceptable to AUSTAR remains present, authorised and able to accept service of process and other documents on its behalf and, if there is a replacement, it must immediately notify the other parties and provide them with satisfactory evidence of the replacement's acceptance of its appointment; and
- (c) agrees that service of any process or documents on the agent (or any replacement) will be sufficient service on it.

6.5 Waiver

- (a) Liberty and the Bidder may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on words or conduct of Liberty or the Bidder as a waiver of any right unless the waiver is in writing and signed by Liberty or the Bidder, as appropriate.
- (c) The meanings of the terms used in this clause 6.4 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

6.6 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by AUSTAR, Liberty and FOXTEL; or
- (b) if on or after the First Court Date, the variation is agreed to by AUSTAR, Liberty and FOXTEL and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Liberty and the Bidder must will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.7 Cumulative rights

The rights, powers and remedies of Liberty, the Bidder and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

6.8 Assignment

- (a) The rights created by this deed poll are personal to Liberty, the Bidder and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Liberty or the Bidder, as the case may be.
- (b) Any purported dealing in contravention of clause 6.8(a) is invalid.

6.9 Joint and several obligations

Liberty and the Bidder are jointly and severally liable for each obligation imposed on either or both of them by the terms of this deed poll.

6.10 Further action

Liberty and the Bidder must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

6.11 Counterparts

- (a) This deed poll may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this deed poll by signing any counterpart.

Scheme

Executed as a deed poll

Signed, sealed and delivered by
Liberty Global, Inc.

by its attorney under a power of attorney dated 8 July 2011, and the attorney declares that it has not received any notice of the revocation of such power of attorney, in the presence of:

sign here ▶ _____
Attorney

print name _____

sign here ▶ _____
Witness

print name _____

Signed, sealed and delivered by
LGI Bidco Pty Limited

by its attorney under a power of attorney dated 8 July 2011, and the attorney declares that it has not received any notice of the revocation of such power of attorney, in the presence of:

sign here ▶ _____
Attorney

print name _____

sign here ▶ _____
Witness

print name _____

EXECUTION VERSION

LIBERTY RESTRUCTURE AND SALE DEED

DATED 11 JULY 2011

Liberty Global, Inc.

AND

UGC Australia BV

AND

AUSTAR United Communications Limited

AND

FOXTEL Australia Pty Limited

AND

FOXTEL Finance Pty Limited

AND

Telstra Media Pty Limited

AND

Sky Cable Pty Limited

AND

FOXTEL Management Pty Limited

ALLEN & OVERY

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THIS DEED is made on 11 JULY 2011

BETWEEN:

- (1) Liberty Global, Inc., a Delaware corporation, of 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America (**Liberty**);
- (2) UGC Australia BV, a company registered in the Netherlands, of Boeing Avenue 53, Schiphol Rijk, Amsterdam, 1119 PE, The Netherlands (**UGC Australia**);
- (3) AUSTAR United Communications Limited ACN 087 695 707 of Level 1, 46-52 Mountain Street, Ultimo, New South Wales 2007, Australia (**AUSTAR**);
- (4) FOXTEL Australia Pty Limited ACN 151 691 753 of 5 Thomas Holt Drive, North Ryde, New South Wales 2113, Australia (**FOXTEL Bidco**);
- (5) FOXTEL Finance Pty Limited ACN 151 691 897 of 5 Thomas Holt Drive, North Ryde, New South Wales 2113, Australia (**FOXTEL Finco**);
- (6) Telstra Media Pty Limited ACN 069 279 027 of Level 41, 242-282 Exhibition Street, Melbourne, Victoria 3000, Australia (**Telstra Media**)

and

Sky Cable Pty Limited ACN 069 799 640 of 55 Pyrmont Bridge Road, Pyrmont, New South Wales 2009, Australia (**Sky Cable**),

in their capacity, unless otherwise specified, as the partners of the FOXTEL Partnership; and

- (7) FOXTEL Management Pty Limited ACN 068 671 938 of 5 Thomas Holt Drive, North Ryde, New South Wales 2113, Australia (**FOXTEL Management**), in its capacity, unless otherwise specified, as agent for the FOXTEL Partnership.

(Telstra Media and Sky Cable, when acting in their capacity as the partners of the FOXTEL Partnership, and FOXTEL Management, when acting in its capacity as agent for the FOXTEL Partnership referred to collectively as **FOXTEL**.)

BACKGROUND:

- (A) On or before the date of this deed:
 - AUSTAR, Telstra Media, Sky Cable, FOXTEL Management, Liberty and Bidder entered into the Implementation Deed (**Implementation Deed**);
 - FOXTEL Finco, AUSTAR and Bidder entered into the FOXTEL Funding Agreement;
 - each of Consolidated Media Holdings Limited ACN 009 071 167, News Australia Holdings Pty Limited ACN 105 197 028 and Telstra Corporation Limited ACN 051 775 556 executed and delivered a FOXTEL Partner Deed Poll and FOXTEL Partner Commitment Letter; and

- FOXTEL has received:
 - a duly executed commitment letter from Australia and New Zealand Banking Group Limited and Commonwealth Bank of Australia in respect of an A\$900,000,000 syndicated bridge facility, attaching a term sheet in respect of that facility; and
 - a duly executed commitment letter from Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, National Australia Bank Limited and Westpac Banking Corporation in respect of an A\$1,200,000,000 syndicated revolving facility,

each in the form provided to Liberty prior to the date of this deed.

- (B) Aus Bidco 1, Aus Bidco 2 and Bidder have formed a tax consolidated group (**Aus Bidco TCG**) and they have entered into a tax sharing agreement dated 8 July 2011 (**Aus Bidco TSA**).
- (C) This deed sets out the primary and ancillary obligations of the parties in respect of the Transaction Steps, except that the primary obligations in respect of Transaction Steps 4 and 5 are set out in other Transaction Documents.
- (D) This deed includes a “plan of reorganization” within the meaning of Section 1.368-1(c) of the Treasury Regulations, and elections contemplated by clause 13.4 are intended to be a “reorganization” within the meaning of Section 368(a)(1)(F) of the Internal Revenue Code of 1986, as amended.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this deed:

ATO means the Australian Taxation Office;

AUN means United AUN, LLC, a Colorado limited liability company, of 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America;

Aus Bidco 1 means LGI Investments 1 Pty Limited ACN 151 765 007 of Level 7, Gold Fields House, 1 Alfred Street, Sydney, New South Wales 2000, Australia;

Aus Bidco 1 Purchase Price means:

(a) \$1,036,971,727.84; plus

(b) if a Substitution Notice is given (but not otherwise), an amount equal to the Total Scheme Consideration;

Aus Bidco 1 Sale Shares means all of the issued shares in Aus Bidco 1 at Completion (including any shares issued to UGC Australia under this deed);

Aus Bidco 2 means LGI Investments 2 Pty Limited ACN 151 767 421 of Level 7, Gold Fields House, 1 Alfred Street, Sydney, New South Wales 2000, Australia;

AUSTAR Purchase Price means \$9,485,031.04;

Bidder means LGI Bidco Pty Limited ACN 151 767 449 of Level 7, Gold Fields House, 1 Alfred Street, Sydney, New South Wales 2000, Australia;

Bridge Facility Commitment Letter has the meaning given to it in clause 6.3(e)(i);

Bridge Lender has the meaning given to it in clause 6.3(e)(i);

Buy-Back Shares has the meaning given to it in clause 12.1;

Claim means a claim for any Loss or Tax;

Completion means completion of the sale and purchase of the Sale Shares in accordance with this deed;

Completion Date means the earlier of:

- (a) the third Business Day after the later of the date on which Transaction Step 9 is completed and the day AUSTAR is notified by ASIC that it has been converted to a proprietary company; and
- (b) 30 June 2012,

or at such other date as Liberty and FOXTEL Management may agree in writing;

Contribution Date means the date on which the Court Approval is given unless the Court Approval is given after the end of ordinary business hours on that day, in which case it will be the following Business Day;

Court Approval means the issue of sealed written orders by the Court approving the Scheme in accordance with sections 411(4) and (6) of the Corporations Act;

Estimated Substitute Funding Costs means the good faith estimate of Substitute Funding Costs notified by UGC Australia to FOXTEL Management under clause 15.9;

External Financing means any debt financing obtained by an AUSTAR Group Member from one or more third party banks or institutional lenders whose ordinary course business is the provision of financial accommodation provided that:

- (a) no such bank or lender is a FOXTEL Group Member or AUSTAR Group Member;
- (b) the debt financing contains customary market terms for debt (including an arm's length interest rate, normal creditor rights and remedies, and a reasonable maturity date) and is not convertible into equity of any FOXTEL Group Member or AUSTAR Group Member;
- (c) no FOXTEL Group Member provides any credit support (including any guarantee, letter of comfort or security over assets) (**FOXTEL Credit Support**) in relation to the debt financing, unless AUSTAR would have been able to obtain such debt financing on commercially reasonable terms without such FOXTEL Credit Support; and
- (d) there are no formal or informal arrangements or understandings between the relevant bank or lender and any FOXTEL Group Member or AUSTAR Group Member in relation to the debt financing that are contrary to the above;

FOXTEL External Debt Documents has the meaning given to it in clause 6.3(b);

FOXTEL Non-Tax Warranties means the warranties given by certain FOXTEL Group Members in clauses 6.3(e), (g) and (h) and 20.1;

Governmental Authority means any government, court, arbitrator, regulatory or administrative agency, commission or authority or other governmental instrumentality, federal, state or local, domestic, foreign or multinational;

Interim Period means the period from the Effective Date until Completion (inclusive);

IRS Private Letter Ruling means the private letter ruling to be obtained by Liberty from the IRS in connection with the Transaction that is referred to in clause 3.1(a)(3) of the Implementation Deed;

Liberty Warranties means the warranties given by Liberty and UGC Australia under clause 18.1;

Loss means any losses, damages, costs, expenses, charges, penalties and other liabilities (including reasonable legal and other professional fees) but excludes any Tax;

Promissory Note 1A means the promissory note substantially in the form set out in Schedule 1;

Promissory Note 1B(i) means the promissory note substantially in the form set out in Schedule 2;

Promissory Note 1B(ii) means the promissory note substantially in the form set out in Schedule 3;

Promissory Note 1C means the promissory note substantially in the form set out in Schedule 4;

Promissory Note 2A means the promissory note substantially in the form set out in Schedule 5;

Promissory Note 2B means the promissory note substantially in the form set out in Schedule 6;

Promissory Note 3 means the promissory note substantially in the form set out in Schedule 7;

Promissory Note 4 means the promissory note substantially in the form set out in Schedule 8;

Promissory Note 5 means the promissory note substantially in the form set out in Schedule 9;

Purchase Price means, subject to clause 19.4, the sum of the Aus Bidco 1 Purchase Price and the AUSTAR Purchase Price;

Revolving Facility has the meaning given to it in clause 6.3(e)(ii);

Revolving Facility Commitment Letter has the meaning given to it in clause 6.3(e)(ii);

Revolving Facility Lender has the meaning given to it in clause 6.3(e)(ii);

Sale Shares means:

- (a) the Aus Bidco 1 Sale Shares; and
- (b) the Step 1C AUSTAR Shares;

Stamp Duties means all stamp, transaction or registration duties or similar charges imposed by any Australian Governmental Authority and includes all penalties, fines, interest or additional charges payable in relation to such duties or charges;

Step 1B AUSTAR Shares has the meaning given to it in clause 3.1(b);

Step 1C AUSTAR Shares has the meaning given to it in clause 3.1(c);

Step 3 AUSTAR Shares has the meaning given to it in clause 5.1;

Substitute Funding Costs means any Losses incurred by Aus Bidco 1, Aus Bidco 2, Bidder or any AUSTAR Group Member in respect of the Substitute Funding, whether before or after Completion;

Tax or **Taxes** means any and all taxes, charges, fees, levies, imposts, customs, duties, tariffs, or other assessments, including income, gross receipts, excise, real or personal property, sales, withholding, social security, retirement, unemployment, occupation, use, goods and services, service use, license, value added, GST, Stamp Duties, capital, net worth, payroll, profits, franchise, transfer and recording taxes, fees and charges, and any other taxes, charges, fees, levies, imposts, customs, duties, tariffs or other assessments imposed by the IRS or any other Governmental Authority (whether domestic or foreign including any state, county, local or foreign government or any subdivision or taxing agency thereof), whether computed on a separate, consolidated, unitary, combined or any other basis; and such term shall include any interest thereon, fines, penalties, additions to tax, or additional amounts attributable to, or imposed upon, or with respect to, any such taxes, charges, fees, levies, imposts, customs, duties, tariffs, or other assessments;

Tax **Contest** has the meaning given to it in clause 21.2;

Tax Contest Notice has the meaning given to it in clause 21.2;

Tax **Indemnity** has the meaning given to it in clause 21.2;

Third Party Claim means a liability or alleged liability of a Liberty Group Member to a person other than a party to this deed or any FOXTEL Group Member;

Transfer Date has the meaning given to it in clause 8.1;

Treasury **Regulations** means the U.S. Treasury regulations promulgated under the U.S. Internal Revenue Code of 1986, as amended;

UAP means United AUSTAR Partners of 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America;

UAP **LLC** means United AsiaPacific Communications, LLC, a Delaware limited liability company, of 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America; and

UGC means UnitedGlobalCom, Inc., a Delaware corporation, of 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America.

1.2 Application of Implementation Deed

- (a) Capitalised terms not defined in this deed but which are defined in the Implementation Deed will have the meanings given to them in clause 1.1 of the Implementation Deed except that, for the purposes of the definition of "External Financing" in clause 1.1 and for clauses 6.4 and 6.7(d) of this deed only, notwithstanding Completion no AUSTAR Group Member is a FOXTEL Group Member.
- (b) The interpretation provisions in clauses 1.2, 1.3 and 1.4, and clauses 13.2 and 15 (other than 15.4 (Notices)) of the Implementation Deed apply in this deed with the necessary changes being made.

2. AGREEMENT TO IMPLEMENT TRANSACTION STEPS

2.1 Agreement to implement Transaction Steps

- (a) Liberty and UGC Australia agree to perform and implement (and agree to procure that each other Liberty Group Member and, following the Implementation Date and prior to Completion, each AUSTAR Group Member performs and implements) each of the Transaction Steps which is required (under this deed) to be performed or implemented by any of the abovementioned Liberty Group Members or AUSTAR Group Members (as the case may be), and agrees to perform and implement (or procure the performance and implementation of) those Transaction Steps substantially in accordance with (and where reasonably possible, before the corresponding time frames set out in) the timetable set out in Schedule 10.
- (b) AUSTAR agrees to perform and implement (and agrees to procure that each other AUSTAR Group Member performs and implements) each of the Transaction Steps which is required (under this deed) to be performed or implemented by any AUSTAR Group Member, and agrees to perform and implement (or procure the performance and implementation of) those Transaction Steps substantially in accordance with (and where reasonably possible, before the corresponding time frames set out in) the timetable set out in Schedule 10.
- (c) FOXTEL agrees to perform and implement (and agrees to procure that each other FOXTEL Group Member performs and implements) each of the Transaction Steps which is required (under this deed) to be performed or implemented by any FOXTEL Group Member, and agrees to perform and implement (or procure the performance and implementation of) those Transaction Steps substantially in accordance with (and where reasonably possible, before the corresponding time frames set out in) the timetable set out in Schedule 10.

2.2 Copies of Documents

Liberty, AUSTAR and FOXTEL agree to provide each other with copies of the documents for each Transaction Step to which it is a party or is responsible for procuring promptly after that Transaction Step has been completed.

2.3 Conditions

- (a) Nothing in this deed requires a party to complete or implement any Transaction Steps until after Court Approval is given (other than Transaction Steps 4 and 5 which are to be completed and implemented in accordance with the Implementation Deed and the Scheme Funding Agreement).
- (b) No agreement to acquire shares under this deed will be binding until the condition in clause 3.1(a)(2) of the Implementation Deed is satisfied.

3. TRANSACTION STEP 1

3.1 Step 1 sale and subscription

Liberty will procure that:

- (a) UGC subscribes for and UGC Australia issues 1,046,456,759 fully paid ordinary shares in the capital of UGC Australia (**Step 1 UGC Australia Shares**) in consideration for the issue by UGC to UGC Australia of Promissory Note 1A;

- (b) UAP sells and UGC Australia purchases 682,218,242 AUSTAR Shares (**Step 1B AUSTAR Shares**) in consideration for the issue by UGC Australia to UAP of Promissory Note 1B(i) and Promissory Note 1B(ii);
- (c) AUN sells and UGC Australia purchases 6,240,152 AUSTAR Shares (**Step 1C AUSTAR Shares**) in consideration for the issue by UGC Australia to AUN of Promissory Note 1C;
- (d) UAP distributes to UAP LLC, as a distribution, Promissory Note 1B(i);
- (e) UAP distributes to AUN, as a distribution, Promissory Note 1B(ii);
- (f) AUN distributes to UAP LLC, as a distribution, Promissory Note 1B(ii) and Promissory Note 1C; and
- (g) UAP LLC distributes to UGC, as a distribution, Promissory Note 1B(i), Promissory Note 1B(ii) and Promissory Note 1C,

in accordance with the terms of this deed.

3.2 Step 1 completion

On the Contribution Date, but after the Court Approval:

- (a) in respect of the Step 1 UGC Australia Shares:
 - (i) Liberty will procure that UGC delivers to UGC Australia a duly executed Promissory Note 1A; and
 - (ii) UGC Australia will (and Liberty will procure UGC Australia to):
 - (A) deliver to UGC the share certificate for the Step 1 UGC Australia Shares in favour of UGC; and
 - (B) enter UGC's name as the registered holder of the Step 1 UGC Australia Shares;
- (b) in respect of the Step 1B AUSTAR Shares:
 - (i) Liberty will procure that UAP delivers to UGC Australia a duly executed transfer of the Step 1B AUSTAR Shares in favour of UGC Australia together with the holding statement in respect of such shares;
 - (ii) UGC Australia will (and Liberty will procure UGC Australia to) deliver to UAP a duly executed Promissory Note 1B(i) and a duly executed Promissory Note 1B(ii);
 - (iii) Liberty will procure that UAP distributes to UAP LLC, as a distribution, Promissory Note 1B(i);
 - (iv) Liberty will procure that UAP distributes to AUN, as a distribution, Promissory Note 1B(ii);
 - (v) Liberty will procure that AUN distributes to UAP LLC, as a distribution, Promissory Note 1B(ii); and

- (vi) Liberty will procure that UAP LLC distributes to UGC, as a distribution, Promissory Note 1B(i) and Promissory Note 1B(ii);
- (c) in respect of the Step 1C AUSTAR Shares:
 - (i) Liberty will procure that AUN delivers to UGC Australia a duly executed transfer of the Step 1C AUSTAR Shares in favour of UGC Australia together with the holding statement in respect of such shares;
 - (ii) UGC Australia will (and Liberty will procure UGC Australia to) deliver to AUN a duly executed Promissory Note 1C;
 - (iii) Liberty will procure that AUN distributes to UAP LLC, as a distribution, Promissory Note 1C; and
 - (iv) Liberty will procure that UAP LLC distributes to UGC, as a distribution, Promissory Note 1C.

All transfers and distributions of the promissory notes will be made through endorsement of the notes.

3.3 Step 1 post completion

Immediately following completion under clause 3.2:

- (a) Liberty will procure that each of UGC and UGC Australia (and UGC Australia agrees that it will) set off the obligations under Promissory Note 1A, Promissory Note 1B(i), Promissory Note 1B(ii) and Promissory Note 1C and cancel the notes; and
- (b) UGC Australia and AUSTAR will, and Liberty will procure that each of UAP and AUN will, do all things within their power that are lawful to ensure that the Step 1B AUSTAR Shares and the Step 1C AUSTAR Shares are registered in the name of UGC Australia on or with effect from the Contribution Date.

4. TRANSACTION STEP 2

4.1 Step 2 sale and subscription

- (a) UGC Australia agrees to (and Liberty will procure UGC Australia to) subscribe for and Liberty will procure that Aus Bidco 1 issues 1,036,971,728 fully paid ordinary shares in the capital of Aus Bidco 1 (**Step 2 Aus Bidco 1 Shares**) in consideration for the issue by UGC Australia of Promissory Note 2A; and
- (b) UGC Australia agrees to (and Liberty will procure UGC Australia to) sell and Liberty will procure that Aus Bidco 1 purchases 682,218,242 AUSTAR Shares (**Step 2 AUSTAR Shares**) in consideration for the issue by Aus Bidco 1 of Promissory Note 2B,

in accordance with the terms of this deed.

4.2 Step 2 completion

On the Contribution Date, but after the Court Approval and completion of Transaction Step 1:

- (a) UGC Australia will (and Liberty will procure UGC Australia to) deliver to Aus Bidco 1 a duly executed:
 - (i) Promissory Note 2A; and
 - (ii) transfer of the Step 2 AUSTAR Shares in favour of Aus Bidco 1 together with the holding statement in respect of such shares; and
- (b) Liberty will procure that Aus Bidco 1:
 - (i) delivers to UGC Australia:
 - (A) a duly executed Promissory Note 2B;
 - (B) the share certificate for the Step 2 Aus Bidco 1 Shares in favour of UGC Australia; and
 - (ii) enters UGC Australia's name as the registered holder of the Step 2 Aus Bidco 1 Shares.

4.3 Step 2 post completion

Immediately following completion under clause 4.2:

- (a) UGC Australia will (and Liberty will procure UGC Australia and Aus Bidco 1 to) set off the obligations under Promissory Note 2A and Promissory Note 2B and cancel the notes; and
- (b) UGC Australia and AUSTAR will (and Liberty will procure that Aus Bidco 1 will) do all things within their power that are lawful to ensure that the Step 2 AUSTAR Shares are registered in the name of Aus Bidco 1 on or with effect from the Contribution Date.

5. TRANSACTION STEP 3

5.1 Step 3 sale and subscription

Liberty will procure that Aus Bidco 1 subscribes for and Aus Bidco 2 issues 1,036,971,728 fully paid ordinary shares in the capital of Aus Bidco 2 (**Step 3 Aus Bidco 2 Shares**) in consideration for the transfer by Aus Bidco 1 of 682,218,242 AUSTAR Shares (**Step 3 AUSTAR Shares**) in accordance with the terms of this deed.

5.2 Step 3 Completion

On the Contribution Date, but after the Court Approval and completion of Transaction Step 2, Liberty will procure that:

- (a) Aus Bidco 1 delivers to Aus Bidco 2 a duly executed transfer of the Step 3 AUSTAR Shares in favour of Aus Bidco 2 together with the holding statement in respect of such shares; and

- (b) Aus Bidco 2:
 - (i) delivers to Aus Bidco 1 the share certificate for the Step 3 Aus Bidco 2 Shares in favour of Aus Bidco 1; and
 - (ii) enters Aus Bidco 1's name as the registered holder of the Step 3 Aus Bidco 2 Shares.

5.3 Step 3 post completion

Immediately following completion under clause 5.2, AUSTAR will (and Liberty will procure each of Aus Bidco 1 and Aus Bidco 2 to) do all things within their power that are lawful to ensure that the Step 3 AUSTAR Shares are registered in the name of Aus Bidco 2 on or with effect from the Contribution Date.

6. TRANSACTION STEP 4 AND TRANSACTION STEP 5

6.1 Acknowledgments

The parties acknowledge that:

- (a) Transaction Step 4 involves the provision by Scheme Financier of the Scheme Funding to Bidder in an amount no less than the Estimated Total Scheme Consideration, which Scheme Funding will be guaranteed by AUSTAR and secured by AUSTAR granting the AUSTAR Charge in favour of Scheme Financier;
- (b) Transaction Step 5 involves the acquisition by Bidder of all of the AUSTAR Shares not held by the Liberty Group; and
- (c) in addition to matters relating to Transaction Step 4 and Transaction Step 5 that are addressed in this deed, matters which are the subject of Transaction Step 4 and/or Transaction Step 5 are dealt with in the Implementation Deed and the Scheme Funding Agreement.

6.2 Substitution Notice

- (a) Liberty may (but is not required to) give a Substitution Notice in accordance with the Implementation Deed.
- (b) Notwithstanding paragraph (a) and the Implementation Deed, Liberty must not give a Substitution Notice if it considers, based on its actual knowledge, that the terms and conditions of the Substitute Funding are likely to cause an Insolvency Event in relation to AUSTAR or any AUSTAR Material Subsidiary during the Interim Period.
- (c) If a Substitution Notice is given, then the following clauses will have no further force or effect: 6.3(a), 6.3(d) (only to the extent that it applies to the FOXTEL Funding Agreement), 6.3(f) (only to the extent that it applies to the FOXTEL Funding Agreement), 6.4(a), 6.4(b), 6.4(c), 6.4(d), 6.4(e), 6.5 and 6.7 (the **Terminating Clauses**). The giving of a Substitution Notice does not affect or prejudice any accrued rights under the Terminating Clauses at any time up to the giving of that Substitution Notice by Liberty.

6.3 Funding arrangements

FOXTEL, FOXTEL Bidco and FOXTEL Finco must at all times until after Completion procure that:

- (a) FOXTEL Finco complies with all of its obligations under the FOXTEL Funding Agreement;
- (b) FOXTEL Bidco, FOXTEL Finco and each other FOXTEL Group Member that is required to guarantee the obligations of FOXTEL Bidco and FOXTEL to the relevant financiers under the terms of the FOXTEL External Debt Documents:
 - (i) enters into definitive documentation (the **FOXTEL External Debt Documents**) substantially consistent with the terms and conditions set out in:
 - (A) the term sheet in respect of the A\$900,000,000 syndicated bridge facility attached to the Bridge Facility Commitment Letter (as defined in clause 6.3(e)(i)); and
 - (B) the term sheet in respect of the A\$1,200,000,000 syndicated revolving facility attached to the Revolving Facility Commitment Letter (as defined in clause 6.3(e)(ii)),provided prior to the date of this deed to Liberty (collectively, the **Terms Sheets**) at least one week before the date of the Scheme Meeting;
 - (ii) at least 2 days before the Second Court Date, satisfies or procures the satisfaction or waiver of all conditions precedent to the availability of funding under the FOXTEL External Debt Documents (or, until those FOXTEL External Debt Documents are executed, the Terms Sheets), other than:
 - (A) those conditions precedent which are procedural in nature (such as the giving of a drawdown notice and not exceeding facility limits) or which are otherwise not capable of satisfaction until on or just before the Completion Date (together, the **Completion CPs**); and
 - (B) the conditions precedent set out in clause 3.1 of the Implementation Deed (the obligations for the satisfaction of which are fully set out in clause 3 of the Implementation Deed);
 - (iii) does everything necessary to satisfy or procure the satisfaction or waiver of the Completion CPs as soon as reasonably possible and, in any event, on or before the Completion Date;
 - (iv) does not do anything which would result in an exception to the certain funding provisions contained in the FOXTEL External Debt Documents (or, until those FOXTEL External Debt Documents are executed, the Terms Sheets) occurring which would entitle any financier under the FOXTEL External Debt Documents (or, until those FOXTEL External Debt Documents are executed, the Terms Sheets) to refuse to make any amount of its commitment available to FOXTEL Finco on the Completion Date; and
 - (v) on written request from UGC Australia at any time before Completion, provide details of any outstanding conditions precedent at the time of the request and any occurrence which FOXTEL believes (acting reasonably) could result in any funding

under the FOXTEL External Debt Documents (or, until those FOXTEL External Debt Documents are executed, the Terms Sheets) being unavailable for any reason;

- (c) no changes are made to the FOXTEL External Debt Documents (or, until those FOXTEL External Debt Documents are executed, the Terms Sheets) which adversely affects or could reasonably be expected to adversely affect the capacity of any FOXTEL Group Member to comply with its obligations on the Completion Date; and
- (d) no FOXTEL Group Member does any act or omission which adversely affects or could reasonably be expected to adversely affect the capacity of any FOXTEL Group Member to comply with its obligations under the FOXTEL Funding Agreement or the FOXTEL External Debt Documents (or, until those FOXTEL External Debt Documents are executed, the Terms Sheets).

Also, FOXTEL, FOXTEL Bidco and FOXTEL Finco warrant to Liberty and UGC Australia that:

- (e) FOXTEL has received prior to execution of this deed:
 - (i) a duly executed commitment letter from Australia and New Zealand Banking Group Limited and Commonwealth Bank of Australia (each a **Bridge Lender**) in respect of the A\$900,000,000 syndicated bridge facility (the **Bridge Facility Commitment Letter**); and
 - (ii) a duly executed commitment letter from Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, National Australia Bank Limited and Westpac Banking Corporation (each a **Revolving Facility Lender**) in respect of the A\$1,200,000,000 syndicated revolving facility (the **Revolving Facility Commitment Letter**),

each in the form provided to Liberty prior to the date of this deed;

- (f) on every day up to and including Completion, all conditions precedent or restrictions to funding under the FOXTEL Funding Agreement and the FOXTEL External Debt Documents (or, until those FOXTEL External Debt Documents are executed, the Terms Sheets) aside from:
 - (i) an Insolvency Event occurring with respect to AUSTAR;
 - (ii) any illegality to providing any funding under the FOXTEL Funding Agreement or the FOXTEL External Debt Documents;
 - (iii) the conditions precedent set out in clause 3.1 of the Implementation Deed (other than those conditions precedent in the sole control of one or more of FOXTEL and a FOXTEL Partner);
 - (iv) the Scheme becoming Effective; and
 - (v) in the case of the FOXTEL External Debt Documents:
 - (A) the Scheme being Implemented;
 - (B) any compulsory acquisition by a Governmental Authority;

- (C) execution by each Bridge Lender and each Revolving Facility Lender of the FOXTEL External Debt Documents to which it is a party; and
- (D) each relevant FOXTEL Group Member being able to warrant that, following Completion, FOXTEL Group Members will directly or indirectly own 100% of the AUSTAR Shares and no person other than a FOXTEL Group Member will have any right to be issued any marketable securities or any right convertible to marketable securities in AUSTAR which could be effected on or after Completion,

are in the control of the FOXTEL Group. For the avoidance of doubt, each of FOXTEL's and FOXTEL Bidco's obligation to Complete under this deed is not limited in any way by this paragraph (f);

- (g) if a Substitution Notice is not given, FOXTEL Finco will have adequate cash resources in immediately available funds to satisfy its obligations under clause 4 of the Implementation Deed on or prior to 2:00pm on the Business Day before the Second Court Date; and
- (h) FOXTEL and FOXTEL Bidco will have adequate cash resources in immediately available funds to satisfy their respective obligations on Completion.

6.4 Undertakings and warranties

FOXTEL, FOXTEL Finco and FOXTEL Bidco:

- (a) undertake to Liberty and UGC Australia that FOXTEL Finco will borrow an amount no less than the Estimated Total Scheme Consideration under the Revolving Facility prior to Completion, and such borrowed amount will be used by FOXTEL Finco to repay in full, prior to Completion, any loans made to FOXTEL Finco by any FOXTEL Group Members that provided the source of funds for the FOXTEL Funding;
- (b) warrant to Liberty and UGC Australia that, at the date of this deed and at the date the FOXTEL Funding is drawn down, no FOXTEL Group Member has any current plan or intention to act (or to cause any AUSTAR Group Member to act) other than in accordance with the following terms, and in any event undertake to Liberty and UGC Australia that, from the date the FOXTEL Funding is drawn down (or, with respect to any AUSTAR Group Member, from Completion) until the date which is 36 months following Completion, they will comply, and ensure that each other FOXTEL Group Member and AUSTAR Group Member complies, with the following items except with the prior written consent of Liberty:
 - (i) the terms of the FOXTEL Funding will not be materially varied or amended, including by changing the maturity date or waiving any default in payment when due;
 - (ii) the parties will fulfil their obligations under the FOXTEL Funding pursuant to its terms;
 - (iii) the FOXTEL Funding, including any obligation to pay principal, interest, or any other amount due thereunder, will not be paid or refinanced in whole or in part by equity contributions to (or through a subscription to share capital of) any AUSTAR Group Member from any FOXTEL Group Member (including by contributing, directly or indirectly, the equity interest in FOXTEL Finco (or any successor entity) to any AUSTAR Group Member);

- (iv) all payments and prepayments of principal, interest or other amounts under the FOXTEL Funding will be paid, from the date the FOXTEL Funding is drawn down until the date which is 36 months following Completion, solely from one or more of the following sources:
 - (A) cash flow generated (whether before or after the date of this deed) by an AUSTAR Group Member from operations; and
 - (B) funds raised (whether before or after the date of this deed) by bona fide dispositions of assets of an AUSTAR Group Member to third parties that are not FOXTEL Group Members;
 - (v) no obligation to pay interest or principal under the FOXTEL Funding will be capitalized or otherwise converted into, or exchanged for, share capital of any AUSTAR Group Member;
 - (vi) no obligation to pay principal, interest or other amounts under the FOXTEL Funding will be waived or forgiven by any FOXTEL Group Member;
 - (vii) no FOXTEL Group Member or AUSTAR Group Member will assign, novate or otherwise transfer or dispose of, or grant any interests in, any rights or obligations under the FOXTEL Funding (other than as contemplated by the Transaction Steps);
 - (viii) no FOXTEL Group Member will lend or re-lend any principal, interest or other amounts paid or payable under the FOXTEL Funding to any AUSTAR Group Member; and
 - (ix) no FOXTEL Group Member or AUSTAR Group Member will offer or agree to do any of the matters set out in clauses 6.4(b)(i) to 6.4(b)(viii);
- (c) warrant to Liberty and UGC Australia that, at the date of this deed, no FOXTEL Group Member has any current plan or intention to act (or to cause any AUSTAR Group Member to act) other than in accordance with the following terms and in any event undertake to Liberty and UGC Australia that, from the date of this deed (or, with respect to any AUSTAR Group Member, from Completion) until the date which is 36 months following Completion, they will comply, and ensure that each other FOXTEL Group Member and AUSTAR Group Member complies, with the following items except with the prior written consent of Liberty:
- (i) FOXTEL Finco (or any successor entity) will not borrow any funds from any FOXTEL Group Member or AUSTAR Group Member, and no FOXTEL Group Member or AUSTAR Group Member will lend any funds to FOXTEL Finco (or any successor entity), except in each case, with respect to the loan from FOXTEL to FOXTEL Finco which will be repaid in full, prior to Completion, with funds borrowed by FOXTEL Finco under the Revolving Facility; and
 - (ii) no FOXTEL Group Member or AUSTAR Group Member will file any election with the IRS to cause FOXTEL Finco (or any successor entity) to be classified as other than a corporation for U.S. federal income tax purposes, or cause FOXTEL Finco (or any successor entity) to convert or merge into any legal entity that is not, at the time of such conversion or merger, classified as a corporation for U.S. federal income tax purposes;
- (d) undertake to Liberty and UGC Australia that, from the date of this deed (or, with respect to any AUSTAR Group Member, from Completion) until the date which is 36 months

following Completion, no FOXTEL Group Member or, following Completion, AUSTAR Group Member, will take any action that would cause any FOXTEL Group Member to own, directly or indirectly, both any portion of the FOXTEL Funding and any portion of an equity interest in any AUSTAR Group Member;

(for the purposes of this clause 6.4(d), if one entity (the **first entity**) has an equity interest in another entity (the **second entity**), the first entity will be considered to indirectly own a proportionate interest in the relevant assets (i.e., FOXTEL Funding and equity interest in any AUSTAR Group Member) owned (directly or indirectly) by the second entity if, and only if, at any time that the first entity has an equity interest in the second entity (the **relevant time**), the second entity:

- (i) was acquired, directly or indirectly, by FOXTEL or FOXTEL Bidco pursuant to the Transaction, and Liberty has notified FOXTEL in writing that such entity is classified as a partnership or disregarded entity for U.S. federal income tax purposes at the date of Completion;
 - (ii) as the result of an election validly made with the IRS by any FOXTEL Group Member or, following Completion, any AUSTAR Group Member (whether filed as of, before or after such relevant time) with effect at such relevant time, is to be classified as a partnership or disregarded entity for U.S. federal income tax purposes;
 - (iii) was not acquired, directly or indirectly, by FOXTEL or FOXTEL Bidco pursuant to the Transaction, is formed under the laws of the United States or a locality thereof, is not a corporation, and is not an entity that is to be classified, as a result of an election that has been validly made with the IRS (whether filed as of, before or after such relevant time) with effect at such relevant time, as a corporation for U.S. federal income tax purposes; or
 - (iv) was not acquired, directly or indirectly, by FOXTEL or FOXTEL Bidco pursuant to the Transaction, is not formed under the laws of the United States or a locality thereof, is not a "per se corporation" under Section 301.7701-2(b)(8) of the Treasury Regulations, at least one member of the entity has personal liability for debts of the entity by reason of being a member as described in Section 301.7701-3(b)(2)(ii) of the Treasury Regulations and is not an entity that is to be classified, as a result of an election that has been validly made with the IRS (whether filed as of, before or after such relevant time) with effect at such relevant time, as a corporation for U.S. federal income tax purposes);
- (e) must procure that no reporting position will be taken by any FOXTEL Group Member or, following Completion, AUSTAR Group Member, that is inconsistent with the treatment of the FOXTEL Funding as debt of the AUSTAR Group for financial reporting and Tax purposes, from the date the FOXTEL Funding is drawn down (or, with respect to any AUSTAR Group Member, from Completion) until the date which is 36 months after Completion, except:
- (i) with the prior written consent of Liberty; or
 - (ii) in circumstances where changes in law, regulation or accounting standards that occur after the date of this deed require otherwise; and

- (f) must ensure, during the period commencing on the Completion Date and ending on the date which is five years after the U.S. tax election described below is made, that no FOXTEL Group Member or AUSTAR Group Member:
 - (i) changes or petitions the IRS to change a U.S. tax election made on or before the Completion Date by or with respect to an AUSTAR Group Member, Aus Bidco 1, Aus Bidco 2, or Bidder pursuant to Section 301.7701-3(c) of the Treasury Regulations;
 - (ii) files an election with the IRS for any such entity, or any successor entity, to be classified as a corporation for U.S. federal income tax purposes; or
 - (iii) converts the legal form of any such entity (or any successor entity) into a form that is classified as a corporation for U.S. federal income tax purposes under the law in effect at the time of such conversion.

6.5 Change of law, regulation or accounting standards

Where there are any changes to law, regulation or accounting standards of the kind referred to in clause 6.4(e)(ii), Liberty and FOXTEL will negotiate in good faith to seek to agree to changes to the terms of the FOXTEL Funding which are required to ensure that no reporting position is taken by an AUSTAR Group Member or FOXTEL Group Member that is inconsistent with the treatment of the FOXTEL Funding as debt of AUSTAR for financial reporting and Tax purposes.

6.6 Notice of Tax Claim

- (a) Liberty shall promptly provide written notice to FOXTEL Bidco and FOXTEL Management of any pending or threatened Tax audit, assessment, proceeding, Claim or other contest of which it becomes aware relating to Taxes or Losses for which UGC Australia or Liberty is or may be indemnified by FOXTEL Bidco and FOXTEL under the Tax Indemnity.
- (b) Any delay in giving or failure to give a notice under clause 6.6(a) will not affect the obligations of any FOXTEL Group Member under this deed (except as otherwise provided in clause 21.2(b)(i) or to the extent the liability of the FOXTEL Group Member is increased or a ground for defending any audit, assessment, proceeding or other contest relating to any Taxes or Losses that may be the subject of indemnification under clause 21.1(c) is prejudiced as a result of that delay or failure).

6.7 Tax warranties

Each of FOXTEL, FOXTEL Finco and FOXTEL Bidco warrant to Liberty and UGC Australia that:

- (a) at the date of this deed and at the date the FOXTEL Funding is drawn down, Sky Cable, Telstra Media, FOXTEL Management, FOXTEL Bidco and FOXTEL Finco (or any successor entities) are treated as separate legal entities under Australian law, and FOXTEL Finco (or any successor entity) does not own, directly or indirectly, any equity interest in the FOXTEL Partnership or FOXTEL Bidco (or any successor entities);
- (b) at the date of this deed, FOXTEL Finco is organised as a proprietary company under Australian law, none of its shareholders has personal liability for its debts by reason of being a shareholder (as described in Section 301.7701-3(b)(2)(ii) of the Treasury Regulations), and no election has been filed with the IRS to treat it as other than a corporation for U.S. federal income tax purposes;

- (c) at the date of this deed, FOXTEL Finco has not borrowed any funds from any FOXTEL Group Member, and no FOXTEL Group Member has lent FOXTEL Finco any funds; and
- (d) at the date of this deed and at the date the FOXTEL Funding is drawn down, no FOXTEL Group Member has, or will have, any current plan or intention to cause any AUSTAR Group Member to repay the FOXTEL Funding from and after the date which is 36 months following Completion from sources other than:
 - (i) cash flow generated (whether before or after the date of this deed) by an AUSTAR Group Member from operations;
 - (ii) funds raised (whether before or after the date of this deed) by bona fide dispositions of assets of an AUSTAR Group Member to third parties that are not FOXTEL Group Members; or
 - (iii) External Financing.

7. AUSTAR DELISTING

AUSTAR must (and Liberty will procure AUSTAR to) use its reasonable endeavours, acting proactively, in good faith and in a timely manner to procure that AUSTAR is delisted from the ASX on and from close of trading on the Business Day after the Implementation Date or as soon as practicable thereafter (but in no event before the Business Day after the Implementation Date).

8. TRANSACTION STEP 6

8.1 Step 6 sale agreement

Liberty will procure that Aus Bidco 1 sells and AUSTAR must purchase 100% of the issued shares of Bidder (**Bidder Shares**) by the date set out in the Timetable as the "Transfer Date" (such date of purchase being the **Transfer Date**) for \$10, in accordance with the terms of this deed.

8.2 Step 6 completion

On the Transfer Date:

- (a) Liberty will procure that Aus Bidco 1 provides a duly executed transfer of the Bidder Shares in favour of AUSTAR together with a share certificate for the Bidder Shares;
- (b) AUSTAR will pay Aus Bidco 1 \$10; and
- (c) Liberty will procure that Bidder cancels the share certificate, enters AUSTAR's name in its register of members as the registered holder of the Bidder Shares and issues AUSTAR a share certificate in respect of the Bidder Shares.

8.3 Tax matters

- (a) Prior to the Transfer Date, Liberty will procure that Bidder makes any exit payment required to be made to Aus Bidco 1 in accordance with the Aus Bidco TSA in respect of any liability of Aus Bidco 1 that is covered by the Aus Bidco TSA. Liberty will procure that Bidder promptly obtains a release from any liabilities existing under the Aus Bidco TSA.
- (b) As soon as practicable after the Transfer Date, and in any event within 28 days after the Transfer Date, Liberty will procure that Aus Bidco 1 notifies the ATO that Bidder has exited the Aus Bidco TCG.

- (c) As soon as practicable after the Transfer Date, and in any event before any tax liability of the AUSTAR Group that is covered by the AUSTAR tax sharing agreement has fallen due, Liberty will procure that Bidder accedes to the AUSTAR tax sharing agreement.

9. TRANSACTION STEP 7

Bidder will file an election pursuant to Section 301.7701-3(c) of the Treasury Regulations to be classified as an entity that is disregarded as separate from its owner for U.S. federal income tax purposes. Such election shall be designated effective the day after the Transfer Date.

10. ALTERNATIVE TRANSACTION STEP 8

- (a) At any time prior to the Second Court Date, Liberty may by notice given to FOXTEL Management determine which alternative Transaction Step 8 it wishes to invoke.
- (b) If Liberty gives a notice that clause 11 will apply, or does not give any notice, prior to the Second Court Date, then clause 11 will apply and clause 12 will have no further force or effect.
- (c) If Liberty gives a notice that clause 12 will apply prior to the Second Court Date, then clause 12 will apply and clause 11 will have no further force or effect.

11. ALT 1 TRANSACTION STEP 8

11.1 Step 8 agreement

In accordance with this deed, Liberty will procure that AUSTAR and Bidder novate the Scheme Funding Agreement to AUSTAR in consideration of Bidder issuing to AUSTAR Promissory Note 3.

11.2 Step 8 completion

On the day after the Transfer Date:

- (a) if:
 - (i) a Substitution Notice has not been given, Liberty will procure that Bidder and AUSTAR provide to FOXTEL Finco a written notice specifying the "Novation Date" for the purposes of the FOXTEL Funding Agreement (specifying as the "Novation Date" the day after the Transfer Date); and
 - (ii) a Substitution Notice has been given:
 - (A) AUSTAR, Bidder and Substitute Financier will enter into all such documents required to effect the novation of the Substitute Funding Agreement by replacing Bidder with AUSTAR as a party to the Substitute Funding Agreement with effect from the day after the Transfer Date; and
 - (B) on and from the novation date, the Bidder will be irrevocably and unconditionally released from all of its obligations and liabilities under any Substitute Security and to repay any principal outstanding under the Substitute Funding Agreement (and if a Substitute Financier is a Liberty Group Member, all of its other obligations and liabilities under the

Substitute Funding Agreement whether those obligations or liabilities arose on or before the novation date); and

- (b) Liberty will procure that Bidder delivers to AUSTAR a duly executed Promissory Note 3.

12. ALT 2 TRANSACTION STEP 8

12.1 Step 8 offer

- (a) In accordance with this deed, Liberty will procure that Bidder offers to sell to AUSTAR on the day after the Transfer Date the AUSTAR Shares held by Bidder on the Transfer Date (**Buy-Back Shares**) in consideration for Bidder agreeing to novate the Scheme Funding to AUSTAR (**Buy-Back**) on the terms set out in Annex 1.
- (b) AUSTAR covenants in favour of all parties (aside from Bidder) to accept (and Liberty will procure that AUSTAR accepts) the Buy-Back offer under clause 12.1(a) following shareholder approval under clause 12.2.

12.2 AUSTAR shareholder approval

- (a) Immediately following AUSTAR being delisted from the ASX, AUSTAR will (and Liberty will procure AUSTAR to) convene a general meeting on short notice as soon as practicable thereafter to consider a resolution to approve the Buy-Back (**Buy-Back Meeting**).
- (b) UGC Australia will and Liberty will procure UGC Australia, Aus Bidco 2 and Bidder (as the only members of AUSTAR at that time) consent to the giving of short notice, attend the Buy-Back Meeting and vote in favour of the Buy-Back.
- (c) Any Buy-Back in clause 12.1 is conditional on AUSTAR shareholder approval as contemplated by this clause 12.2.

12.3 ASIC notices

- (a) At least 14 days prior to the Buy-Back Meeting, AUSTAR must (and Liberty will procure AUSTAR to) lodge with ASIC an ASIC Form 281 of its intention to carry out the Buy-Back.
- (b) Immediately prior to the dispatch of the notice of meeting and explanatory memorandum in relation to the Buy-Back, AUSTAR must (and Liberty will procure AUSTAR to) lodge with ASIC an ASIC Form 280 (together with the meeting materials).

12.4 Step 8 completion

Following acceptance by AUSTAR of the Buy-Back offer under clause 12.1(a) on the day after the Transfer Date:

- (a) Liberty will procure that Bidder delivers to AUSTAR:
 - (i) a duly executed transfer in favour of AUSTAR of the Buy-Back Shares; and
 - (ii) the share certificate(s) representing the Buy-Back Shares;
- (b) if:
 - (i) a Substitution Notice has not been given, Liberty will procure that Bidder and AUSTAR provide to FOXTEL Finco a written notice specifying the "Novation

Date" for the purposes of the FOXTEL Funding Agreement (specifying as the "Novation Date" the day after the Transfer Date); and

- (ii) a Substitution Notice has been given:
 - (A) AUSTAR, Bidder and Substitute Financier will enter into all such documents required to effect the novation of the Substitute Funding Agreement by replacing Bidder with AUSTAR as a party to the Substitute Funding Agreement with effect from the day after the Transfer Date; and
 - (B) on and from the novation date, the Bidder will be irrevocably and unconditionally released from all of its obligations and liabilities under any Substitute Security and to repay any principal outstanding under the Substitute Funding Agreement (and if a Substitute Financier is a Liberty Group Member, all of its other obligations and liabilities under the Substitute Funding Agreement whether those obligations or liabilities arose on or before the novation date);
- (c) Liberty and UGC Australia must procure that the AUSTAR Board approves the transfer of the Buy-Back Shares to AUSTAR and registers the transfer of the Buy-Back Shares (and immediately thereafter cancels the Buy-Back Shares in accordance with section 257H(3) of the Corporations Act); and
- (d) title and risk in the Buy-Back Shares remain with Bidder until completion under this clause 12.4 and passes from Bidder to AUSTAR on completion under this clause 12.4.

12.5 Voluntary Liquidation

- (a) Promptly after completion under clause 12.4, AUSTAR and Liberty must use reasonable endeavours, acting proactively, in good faith and in a timely manner to:
 - (i) pass a written resolution of AUSTAR as sole shareholder of Bidder in accordance with section 491(1) of the Corporations Act to wind up Bidder voluntarily; and
 - (ii) pass a written resolution of AUSTAR as sole shareholder of Bidder in accordance with section 495 of the Corporations Act to appoint a liquidator to Bidder.
- (b) Liberty will procure Bidder to file with ASIC a declaration made by Bidder's directors that they have made an inquiry into the affairs of Bidder and that at a meeting of directors, they have formed the opinion that Bidder will be able to pay its debts in full within 12 months after the commencement of the winding up (Form 520), a copy of the written resolution described in clause 12.5(a)(i) (Form 205), and a copy of the written resolution described in clause 12.5(a)(ii) (Form 505).

13. TRANSACTION STEP 9

13.1 AUSTAR Group Member U.S. Tax Elections

As soon as possible after the completion of the requirements of clause 11 or 12 (as applicable), Liberty and AUSTAR will cause one or more of AUSTAR's subsidiaries to file an election pursuant to Section 301.7701-3(e) of the Treasury Regulations to be classified as an entity that is disregarded as separate from its owner for U.S. federal income tax purposes.

13.2 Conversion

- (a) On the Effective Date, if AUSTAR shareholders have passed a resolution that AUSTAR convert to a proprietary limited company, then AUSTAR must (and Liberty will procure AUSTAR to) file an ASIC Form 205 notifying ASIC of the passing of the special resolution at the EGM to convert AUSTAR into a proprietary company.
- (b) If AUSTAR shareholders have not passed a resolution that AUSTAR convert to a proprietary limited company by the Effective Date, then the parties must:
 - (i) take all steps necessary to ensure that such a resolution is passed on or as soon as possible after the Implementation Date; and
 - (ii) as soon as possible after that resolution is passed, file an ASIC Form 205 notifying ASIC of the passing of the special resolution at the EGM to convert AUSTAR into a proprietary company.

13.3 Reasonable endeavours

AUSTAR and Liberty must use reasonable endeavours, acting proactively, in good faith and in a timely manner to procure that the status of AUSTAR is converted into a proprietary company (the **AUSTAR Conversion**) as soon as practicable after the lodgement of the relevant ASIC Form 205.

13.4 U.S. Tax Elections

Promptly after the AUSTAR Conversion:

- (a) UGC Australia will file (and Liberty will procure UGC Australia to file) an election pursuant to Section 301.7701-3(c) of the Treasury Regulations to be classified as a corporation for U.S. federal income tax purposes, effective as of the date after the AUSTAR Conversion (the **UGC Australia Election**); and
- (b) AUSTAR will file (and Liberty will procure AUSTAR to file) an election pursuant to Section 301.7701-3(c) of the Treasury Regulations to be classified as an entity that is disregarded as separate from its owner for U.S. federal income tax purposes, effective as of the date after the effective date of the UGC Australia Election.

14. POTENTIAL TRANSACTION STEP 9A

14.1 Application of this clause

This clause applies if a Substitution Notice has been given. If a Substitution Notice has not been given, then this clause 14 has no force or effect.

14.2 Novation of Substitute Funding Agreement to Aus Bidco 1

As soon as possible after the completion of the requirements of clause 13:

- (a) AUSTAR agrees to (and Liberty will procure AUSTAR and Aus Bidco 1 to) novate the Substitute Funding Agreement to Aus Bidco 1 in consideration for the issue by AUSTAR of Promissory Note 4 in favour of Aus Bidco 1 in accordance with the terms of this deed;
- (b) AUSTAR and Liberty will procure that AUSTAR, Aus Bidco 1 and Substitute Financier enter into all such documents required to effect the novation of the Substitute Funding

Agreement by replacing AUSTAR with Aus Bidco 1 as a party to the Substitute Funding Agreement;

- (c) on and from the novation date, AUSTAR will be irrevocably and unconditionally released from all of its obligations and liabilities under any Substitute Security and to repay any principal outstanding under the Substitute Funding Agreement (and if a Substitute Financier is a Liberty Group Member all of its other obligations and liabilities under the Substitute Funding Agreement whether those obligations or liabilities arose on or before the novation date); and
- (d) AUSTAR agrees to (and Liberty will procure AUSTAR to) deliver to Aus Bidco 1 a duly executed Promissory Note 4.

14.3 Novation of Substitute Funding Agreement to UGC Australia

As soon as possible after the completion of the requirements of clause 14.2:

- (a) UGC Australia agrees to (and Liberty will procure UGC Australia and Aus Bidco 1 to) novate the Substitute Funding Agreement to UGC Australia in consideration for the issue by Aus Bidco 1 of Promissory Note 5 in favour of UGC Australia in accordance with the terms of this deed;
- (b) UGC Australia agrees to and Liberty will procure that UGC Australia, Aus Bidco 1 and Substitute Financier enter into all such documents required to effect the novation of the Substitute Funding Agreement by replacing Aus Bidco 1 with UGC Australia as a party to the Substitute Funding Agreement;
- (c) on and from the novation date, Aus Bidco 1 will be irrevocably and unconditionally released from all of its obligations and liabilities under any Substitute Security and to repay any principal outstanding under the Substitute Funding Agreement (and if a Substitute Financier is a Liberty Group Member all of its other obligations and liabilities under the Substitute Funding Agreement whether those obligations or liabilities arose on or before the novation date); and
- (d) Liberty will procure that Aus Bidco 1 delivers to UGC Australia a duly executed Promissory Note 5.

14.4 Capitalisation of Promissory Note 5

As soon as possible after the completion of the requirements of clause 14.3:

- (a) UGC Australia agrees to (and Liberty will procure UGC Australia to) subscribe for and Liberty will procure that Aus Bidco 1 issues the number of fully paid ordinary shares in the capital of Aus Bidco 1 for \$1.00 per share that are equal in value to the Total Scheme Consideration (**Additional Aus Bidco 1 Shares**) in consideration for the endorsement to Aus Bidco 1 by UGC Australia of Promissory Note 5 in accordance with the terms of this deed;
- (b) UGC Australia will (and Liberty will procure UGC Australia to) indorse Promissory Note 5 to Aus Bidco 1 and upon such endorsement Promissory Note 5 will be cancelled; and
- (c) Liberty will procure Aus Bidco 1 to:
 - (i) issue and allot the Additional Aus Bidco 1 Shares;

- (ii) enter UGC Australia's name as the registered holder of the Additional Aus Bidco 1 Shares; and
- (iii) deliver to UGC Australia a share certificate in respect of the Additional Aus Bidco 1 Shares.

15. TRANSACTION STEP 10

15.1 Sale and purchase

- (a) Subject to Implementation occurring, as a simultaneous and interdependent transaction in accordance with this deed:
 - (i) UGC Australia agrees (and Liberty agrees to procure UGC Australia) to sell and FOXTEL Bidco agrees (and FOXTEL agrees to procure FOXTEL Bidco) to buy the Aus Bidco 1 Sale Shares on the Completion Date for the Aus Bidco 1 Purchase Price; and
 - (ii) UGC Australia agrees (and Liberty agrees to procure UGC Australia) to sell and FOXTEL agrees to buy the Step 1C AUSTAR Shares on the Completion Date for the AUSTAR Purchase Price,

free from all Encumbrances together with all rights attaching to them including the right to receive any dividend, return of capital or other distribution paid or declared in the period between the date of this deed and Completion.

- (b) Subject only to:
 - (i) clauses 2.3, 15.8 and 26.1;
 - (ii) Implementation occurring;
 - (iii) in the case of FOXTEL and FOXTEL Bidco, the completion of Transaction Steps 1, 2 and 3, the completion of Transaction Step 9A (if a Substitution Notice is given), and Liberty, UGC Australia and AUSTAR complying with their obligations under clauses 15.3(b)(i), 15.3(b)(ii), 15.3(b)(iv), 15.3(c)(i), 15.3(g) and 15.3(h)(i); and
 - (iv) in the case of Liberty, UGC Australia and AUSTAR, FOXTEL Bidco complying with its obligations under clause 15.3(a)(i) and FOXTEL complying with its obligations under clause 15.3(f),

the obligations of the parties to Complete on the Completion Date are unconditional and irrevocable and no party is entitled to:

- (v) refuse to complete the sale and purchase of the Sale Shares;
- (vi) delay Completion; or
- (vii) set off or withhold all or any part of the Purchase Price,

for any reason whatsoever including:

- (viii) any breach by any party of any of its obligations under the Transaction Documents (aside from those referred to in paragraphs (iii) or (iv) (as applicable));

- (ix) any failure or delay on the part of any financier to the FOXTEL Group to fund the FOXTEL Group;
- (x) any requirements of any financier to the FOXTEL Group (including in relation to the satisfaction of conditions precedent or the refinancing, or variation to any financing of the FOXTEL Group or AUSTAR Group); or
- (xi) any AUSTAR Group Member being the subject of an Insolvency Event.

15.2 Time and place

Completion must take place at the offices of Allen & Overy in Sydney, at 10:00a.m. on the Completion Date.

15.3 Completion obligations

On Completion:

- (a) FOXTEL Bidco must:
 - (i) pay the Aus Bidco 1 Purchase Price (less an amount equal to 70% of the Estimated Substitute Funding Costs (if any)) to UGC Australia (or as it directs) in accordance with the provisions of clause 24 free of any set-off or deduction; and
 - (ii) deliver consents to act for each person it wishes to nominate as a director or secretary of Aus Bidco 1, Aus Bidco 2, Bidder (if applicable) and AUSTAR;
- (b) UGC Australia must (and Liberty shall procure UGC Australia to) deliver to FOXTEL Bidco:
 - (i) duly executed share transfers in respect of the Aus Bidco 1 Sale Shares in favour of FOXTEL Bidco; and
 - (ii) the share certificates for the Aus Bidco 1 Sale Shares;
 - (iii) duly executed resignations of each director and any secretary of Aus Bidco 1, Aus Bidco 2, Bidder (if applicable) and AUSTAR (but in the case of AUSTAR, only the non-executive directors), in each case together with a confirmation that the director or secretary has no claim for compensation; and
 - (iv) if a Substitution Notice has been provided:
 - (A) an irrevocable and unconditional release of AUSTAR from all of its obligations and liabilities under any Substitute Securities, whether or not those obligations arose before, on or after the release date; and
 - (B) a discharge in full of all Substitute Securities (together with any other documents necessary to effect a registration of that discharge and release or to notify any relevant authority of the effect of the discharge and release and any documents of title held in connection with any Substitute Security);
- (c) Liberty shall procure that Aus Bidco 1 holds a board meeting resolving to:
 - (i) approve the transfer of all Aus Bidco 1 Sale Shares to FOXTEL Bidco and enter FOXTEL Bidco into its register of members as holder of those shares;

- (ii) change its registered address to 5 Thomas Holt Drive, North Ryde, New South Wales, 2113;
 - (iii) accept the resignation of each director and any secretary of Aus Bidco 1 and appoint the directors and any secretaries nominated by FOXTEL Bidco under clause 15.3(a)(ii);
 - (iv) revoke all existing powers of attorney and bank signatory authorities; and
 - (v) appoint a new public officer and bank signatories, to be nominated by FOXTEL Bidco;
- (d) Liberty shall procure that Aus Bidco 2 holds a board meeting resolving to:
- (i) change its registered address to 5 Thomas Holt Drive, North Ryde, New South Wales, 2113;
 - (ii) accept the resignation of each director and any secretary of Aus Bidco 2 and appoints the directors and any secretaries nominated by FOXTEL Bidco under clause 15.3(a)(ii);
 - (iii) revoke all existing powers of attorney and bank signatory authorities; and
 - (iv) appoint a new public officer and bank signatories, to be nominated by FOXTEL Bidco;
- (e) if applicable, Liberty shall procure that Bidder holds a board meeting resolving to:
- (i) change its registered address to 5 Thomas Holt Drive, North Ryde, New South Wales, 2113;
 - (ii) accept the resignation of each director and any secretary of Bidder and appoints the directors and any secretaries nominated by FOXTEL Bidco under clause 15.3(a)(ii);
 - (iii) revoke all existing powers of attorney and bank signatory authorities; and
 - (iv) appoint a new public officer and bank signatories, to be nominated by FOXTEL Bidco;
- (f) FOXTEL must pay the AUSTAR Purchase Price to UGC Australia (or as UGC Australia directs) in accordance with the provisions of clause 24 free of any set-off or deduction;
- (g) UGC Australia must (and Liberty shall procure UGC Australia to) deliver to FOXTEL Management:
- (i) duly executed share transfers in respect of all the Step 1C AUSTAR Shares in favour of FOXTEL Management; and
 - (ii) the share certificates for the Step 1C AUSTAR Shares;
- (h) AUSTAR must (and Liberty shall procure AUSTAR to) hold a board meeting resolving to:
- (i) subject to applicable law relating to an AUSTAR Insolvency Event and the payment by FOXTEL or FOXTEL Bidco of any applicable Stamp Duty in respect of the transfer, approve the transfer of the Step 1C AUSTAR Shares by UGC Australia to

FOXTEL Management as agent of the FOXTEL Partnership and enter FOXTEL Management into its register of members as holder of those shares;

- (ii) change its registered address to 5 Thomas Holt Drive, North Ryde, New South Wales, 2113;
 - (iii) accept the resignation of each non-executive director and any secretary of AUSTAR and appoint the directors and any secretaries nominated by FOXTEL Bidco under clause 15.3(a)(ii);
 - (iv) revoke all existing powers of attorney and bank signatory authorities; and
 - (v) appoint a new public officer and bank signatories, to be nominated by FOXTEL Bidco; and
- (i) all parties must do (and Liberty shall procure that each of UGC Australia, AUSTAR, Aus Bidco 1, Aus Bidco 2 and Bidder does) all further acts and execute and deliver all further documents as may be necessary to pass, subject to clause 15.5(c), legal and beneficial ownership in the Sale Shares, free of all Encumbrances, to FOXTEL Bidco or FOXTEL Management (as applicable) on Completion.

15.4 Title and risk

Title and risk in the Sale Shares remains with UGC Australia until Completion and passes from UGC Australia to FOXTEL Bidco and FOXTEL (as the case requires) on Completion.

15.5 Simultaneous actions at Completion

In respect of Completion:

- (a) the obligations of the parties under this deed are interdependent;
- (b) unless the parties agree otherwise, a party will be taken not to have Completed if all actions required to be performed under:
 - (i) in the case of a Liberty Group Member or an AUSTAR Group Member, clauses 15.3(b)(i), (ii) and (iv), 15.3(c)(i), 15.3(g) and 15.3(h)(i); and
 - (ii) in the case of a FOXTEL Group Member, clause 15.3(a)(i) and 15.3(f),do not occur on the Completion Date or on a date fixed by a Non-Defaulting Party under clause 15.6; and
- (c) if any applicable law relating to an AUSTAR Insolvency Event precludes the transfer of the Step 1C AUSTAR Shares to FOXTEL Management, then:
 - (i) the Liberty Group Member will be taken to have Completed if it has satisfied its obligations under clauses 15.3(b)(i), (ii) and (iv), 15.3(c)(i), 15.3(g) and 15.3(h)(i); and
 - (ii) until such time as the Step 1C AUSTAR Shares are transferred to FOXTEL Management, UGC Australia will hold such shares (and the benefits accruing in respect of such shares) on trust for FOXTEL Management.

15.6 Notice to complete

If, for any reason, Completion does not occur on the Completion Date because of the failure of any party (the **Defaulting Party**) to satisfy any of its obligations under this deed, then:

- (a) Liberty (where the Defaulting Party is a FOXTEL Group Member); or
- (b) FOXTEL Management (where the Defaulting Party is a Liberty Group Member or an AUSTAR Group Member),

(in either case, the **Non-Defaulting Party**) may give FOXTEL Management (where the Defaulting Party is a FOXTEL Group Member) or Liberty (where the Defaulting Party is a Liberty Group Member or an AUSTAR Group Member) a notice requiring the Defaulting Party to satisfy those obligations within a period of 5 Business Days after the date of the notice and specifying that time is of the essence in relation to that notice.

15.7 Remedies for failure to comply with notice

If the Defaulting Party fails to comply with a notice given under clause 15.6, the Non-Defaulting Party may, without prejudice to any other rights or remedies available under this deed or at law, terminate this deed, seek specific performance of this deed and/or seek damages for any Loss incurred or Tax suffered (determined without regard to any loss, credit or other Tax asset) as a result of the relevant breach.

15.8 Exception to obligation to Complete

Notwithstanding any other provision of a Transaction Document:

- (a) FOXTEL Bidco, FOXTEL Finco and FOXTEL do not have any obligation to Complete under this deed after 30 June 2012 and may terminate this deed at anytime after that date if Completion has not occurred, unless the failure to Complete on or before that date is a result of a breach of their obligations under this deed or any other Transaction Document; and
- (b) UGC Australia does not have any obligation to Complete under this deed after 30 June 2012 and may terminate this deed at anytime after that date if Completion has not occurred, unless the failure to Complete on or before that date is a result of a breach of its obligations under this deed or any other Transaction Document.

15.9 Estimated Substitute Funding Costs

No later than two Business Days before the Completion Date, UGC Australia must:

- (a) give FOXTEL Management a notice setting out its good faith estimate of all Substitute Funding Costs which have not been or are not to be assumed or discharged by a Liberty Group Member on or prior to Completion; and
- (b) if the Substitute Financier is not a Liberty Group Member, request the Substitute Financier to provide to UGC Australia and FOXTEL Management its written estimate of all Substitute Funding Costs which have not been or are not to be assumed or discharged by a Liberty Group Member (other than Aus Bidco 1 and Aus Bidco 2) on or prior to Completion.

15.10 Undertakings and warranties

FOXTEL, FOXTEL Finco and FOXTEL Bidco undertake and warrant to Liberty and UGC Australia that:

- (a) on the Completion Date:
 - (i) the FOXTEL Partnership will own 100% of the equity of FOXTEL Holdings Pty Limited ACN 151 690 327 (**FOXTEL Holdings**);
 - (ii) FOXTEL Holdings will own 100% of the equity of FOXTEL Bidco;
 - (iii) neither FOXTEL Holdings nor FOXTEL Bidco will be a “per se corporation” under Section 301.7701-2(b)(8) of the Treasury Regulations; and
 - (iv) each of FOXTEL Holdings and FOXTEL Bidco will have a valid election in effect pursuant to Section 301.7701-3(c) of the Treasury Regulations, properly filed with the IRS prior to the Completion Date, and will not have changed or revoked such election, to be classified as a disregarded entity for U.S. federal income tax purposes; and
- (b) at all times from Completion until the date which is 36 months following Completion:
 - (i) the FOXTEL Partnership will own 100% of the equity of FOXTEL Holdings;
 - (ii) FOXTEL Holdings will own 100% of the equity of FOXTEL Bidco;
 - (iii) neither FOXTEL Holdings nor FOXTEL Bidco (or any successor entities) will petition the IRS to change its tax election referred to in clause 15.10(a)(iv) (or, at any time following the date which is 36 months following Completion, permit any such change to become effective retroactively during such 36 month period), file a new election to cause it to be classified as a corporation for U.S. federal income tax purposes, or convert its legal form into an entity that is classified as a corporation for U.S. federal income tax purposes at the time of conversion; and
 - (iv) none of the Step 1C AUSTAR Shares acquired by FOXTEL will be transferred to any entity other than FOXTEL Holdings, FOXTEL Bidco or Aus Bidco 1, unless, immediately following such transfer, all of the equity interests in AUSTAR would, for U.S. federal income tax purposes, be treated as being held by a single entity.

16. OTHER COMPLETION MATTERS

16.1 ASIC notifications

The relevant party responsible under the Corporations Act for any ASIC filing (including ASIC Forms 207Z, 208 and 484 in respect of the transfer or issue of shares) in respect of any Transaction Step will file the relevant ASIC form in accordance with the time limits prescribed by the Corporations Act. If AUSTAR (in respect of matters after Implementation but prior to Completion), Aus Bidco 1, Aus Bidco 2 and/or Bidder (**Relevant Entity**) is responsible under the Corporations Act for any ASIC filing (including Corporations Forms 207Z, 208 and 484 in respect of the transfer or issue of shares) in respect of any Transaction Step, then Liberty shall procure that such Relevant Entity files the relevant ASIC form in accordance with the time limits prescribed by the Corporations Act.

17. INTERIM PERIOD COVENANTS

17.1 Restrictions on conduct

During the Interim Period, Liberty and UGC Australia must procure that, except with the prior written consent of FOXTEL Management or to the extent reasonably required to enable each Liberty Group Member and each AUSTAR Group Member to comply with its obligations under this deed or any other Transaction Document:

- (a) no AUSTAR Prescribed Occurrence occurs;
- (b) none of Aus Bidco 1, Aus Bidco 2 or Bidder incurs any liability, carries on any business, or owns any assets except as a result of or as contemplated by the Transaction Steps (including any act contemplated by a Transaction Document);
- (c) AUSTAR carries on its business in the ordinary course;
- (d) no AUSTAR Group Member does any of the following, except with the prior written consent of FOXTEL Management (such consent to be deemed to have been given if no response is received by UGC Australia from FOXTEL Management within 7 Business Days of FOXTEL Management receiving a request for consent from UGC Australia):
 - (i) enter into any new agreement:
 - (A) with annual expenditure or revenue of greater than \$3,000,000, or
 - (B) with a term (or extended term) of more than 12 months, other than an agreement that can be terminated without additional payment on not more than 60 days notice,

or renew, extend or vary an existing agreement where such renewal, extension or variation:
 - (C) increases the expenditure or revenue under the agreement by more than \$3,000,000 per annum; or
 - (D) extends the term by more than 12 months, other than in circumstances where the agreement (as renewed, extended or varied) can be terminated without additional payment on not more than 60 days notice;
 - (ii) incur or agree to incur capital expenditure (other than where an increase in capital expenditure relates to subscriber equipment or its installation and is in response to increases in connection activity) or any other commitment that is in total more than \$2,000,000 above that contemplated in:
 - (A) the AUSTAR 2011 Budget; or
 - (B) if in 2012, then the amount contemplated in the AUSTAR 2011 Budget adjusted for CPI,

(including for this purpose any amounts in respect of actions taken under clause 5.5(a)(2) of the Implementation Deed);

- (iii) merge or consolidate with any corporation or acquire all or substantially all of the shares or the business or assets of any other person, firm, association, corporation or business organisation, or agree to do any of the foregoing;
 - (iv) declare itself trustee of or Encumber any assets or dispose of any assets having a value, or for an aggregated amount, in excess of \$3,000,000 (including for this purpose any amounts in respect of actions taken under clause 5.5(a)(4) of the Implementation Deed);
 - (v) do any thing that would result in the de-consolidation of the AUSTAR Consolidated Tax Group;
 - (vi) modify or replace the constitution of any AUSTAR Group Member;
 - (vii) change an accounting policy applied by AUSTAR in the preparation of its 2010 consolidated financial report, other than in accordance with applicable reporting standards;
 - (viii) enter into a transaction with, or provide financial accommodation to, forgive or otherwise compromise a debt owing by a Liberty Group Member;
 - (ix) notwithstanding anything to the contrary in clause 17.1(d)(i):
 - (A) materially increase the aggregate remuneration paid by AUSTAR; or
 - (B) materially increase the remuneration or amend any arrangement currently in place with an employee or officer of an AUSTAR Group Member whose total employment cost (taking into account salary, superannuation and other benefits) is in excess of \$150,000; or
 - (C) hire anyone with a total employment cost (taking into account salary, superannuation and other benefits) in excess of \$150,000 (except where the person is hired to replace an employee or position); or
 - (D) accelerate any rights to benefits of any kind, or pay or agree to pay severance payments to directors, the chief executive officer or employees that report directly to the chief executive officer, except:
 - I. in the ordinary course, in accordance with AUSTAR's 2011 Budget;
 - II. if in 2012, then in accordance with the relevant amount(s) contemplated in the AUSTAR 2011 Budget adjusted for CPI; or
 - III. in accordance with pre-existing agreements and company policies.
- Notwithstanding anything in this clause 17.1, AUSTAR or its Subsidiaries may agree to pay up to \$7,000,000 in aggregate (including any amounts agreed to be paid under clause 5.5(c) of the Implementation Deed) to employees and officers in retention payments, provided that:
- (E) the retention plan in relation to such persons is first provided to FOXTEL; and

- (F) UGC Australia and AUSTAR consult with FOXTEL Bidco or FOXTEL in relation to the retention plan and the persons to whom such retention payments are intended to be offered;
- (x) notwithstanding anything to the contrary in clause 17.1(d)(i), incur or agree to incur any borrowing or other financial liability (whether contingent or otherwise), or waive any third party default, for an individual amount or value of more than \$2,000,000 (however this does not prevent the drawing down of existing facilities);
- (xi) commence or settle any single litigation in respect of an amount exceeding \$3,000,000;
- (xii) fail to pay creditors or seek payment from debtors in the ordinary course consistent with past practice; or
- (xiii) fail to comply in all material respects with all applicable laws having a material impact on AUSTAR's business.

17.2 Limitation

- (a) Nothing in clause 17.1 restricts any Liberty Group Member or AUSTAR Group Member from:
 - (i) responding to emergencies in a reasonable and prudent manner;
 - (ii) taking any action required by, or required in response to, any actual or proposed change in tax, law, regulation or accounting standards or mandatory policies or codes;
 - (iii) taking any action necessary or desirable to implement any Transaction Step (including any act contemplated by any Transaction Document including as a result of the giving of a Substitution Notice and any act contemplated by a Transaction Document);
 - (iv) disposing of AUSTAR's dial-up telecommunications business; or
 - (v) undertaking any action contemplated by, or otherwise conducting the business of AUSTAR consistently with, the AUSTAR 2011 Budget or, if in 2012, then the relevant amounts contemplated in the AUSTAR 2011 Budget adjusted for CPI, without requiring FOXTEL Management's consent.
- (b) Despite clause 17.1, none of Liberty, UGC Australia or any Liberty Group Member will be liable for any conduct which occurs before or after the Interim Period, even if such conduct has effect during the Interim Period.

17.3 Remedies for breach

In the event of a breach of clause 17.1, no remedy may be sought by any FOXTEL Group Member or FOXTEL Partner Group Member against a Liberty Group Member in respect of any unremedied material breach to the extent the remedy includes any order or requirement which would prevent or delay or unwind Completion. The seeking of such a remedy (including damages, injunctive relief or specific performance) will not constitute a default, potential default, review event or termination

event under or trigger any other rights of any FOXTEL Group Member under the FOXTEL Funding Agreement, this deed or any other Transaction Document.

18. LIBERTY AND UGC AUSTRALIA WARRANTIES AND INDEMNITIES

18.1 Liberty and UGC Australia warranties

Liberty and UGC Australia jointly and severally warrant to FOXTEL Bidco and FOXTEL that each of the following statements is true and accurate in all material respects at the date of this deed and will also be true and accurate at Completion:

- (a) it has full corporate power and lawful authority to execute and deliver, and to perform its obligations under, this deed, and has taken all necessary corporate action to authorise such execution and delivery and the performance of each of its such obligations;
- (b) its obligations under this deed are legal, valid and binding and enforceable subject to and in accordance with their terms;
- (c) at Completion, UGC Australia will be the legal and beneficial owner of the Sale Shares free of any Encumbrances (other than these Transaction Documents);
- (d) Aus Bidco 1 is the legal and beneficial owner of all issued shares in Aus Bidco 2 free of any Encumbrances (other than these Transaction Documents);
- (e) Aus Bidco 2 will at Completion be the legal and beneficial owner of the Step 3 AUSTAR Shares free of any Encumbrances (other than these Transaction Documents);
- (f) if clause 12 is not implemented, Bidder will at Completion have such interest in the Scheme Shares as it acquired under the Scheme free of any Encumbrances (other than these Transaction Documents), subject to any defects in title or Encumbrances that existed immediately prior to Implementation or derive from defects in title or Encumbrances that existed at such time.

18.2 Liberty and UGC Australia indemnities

Liberty and UGC Australia jointly and severally indemnify FOXTEL Bidco, FOXTEL and each other FOXTEL Group Member in respect of any Claim arising out of or based upon:

- (a) a breach of any Liberty Warranties;
- (b) a breach of clauses 15.3(b)(i), (ii) and (iv), 15.3(c)(i), 15.3(g) or 15.3(h)(i);
- (c) 70% of the Substitute Funding Costs excluding Estimated Substitute Funding Costs;
- (d) a breach of any undertaking given by Liberty or UGC Australia in clause 17.1; and
- (e) if Liberty gives notice to FOXTEL Management in accordance with clause 10(c), all Stamp Duties (if any) in respect of the buy back of the Buy-Back Shares in accordance with clause 12.

18.3 Conduct

- (a) Each party acknowledges that no determination has been made by it that the buy-back of the Buy-Back Shares is subject to Stamp Duty. No party (aside from a Liberty Group Member)

will contact any Governmental Authority with respect to the matters the subject of the indemnity under clause 18.2(e).

- (b) If any FOXTEL Group Member or AUSTAR Group Member receives any letter, enquiry, notice, demand, determination, assessment or other document from any Governmental Authority (an **Assessment**) from which it appears that it is reasonably likely that a FOXTEL Group Member may incur or suffer a Claim the subject of an indemnity under clause 18.2(e) (**Relevant Claim**), FOXTEL must notify UGC Australia of the relevant facts as soon as practicable and in any event within 10 Business Days after receiving the Assessment.
- (c) UGC Australia may within 15 Business Days after the receipt of a notification under clause 18.3(b) give notice to FOXTEL accepting responsibility for the Relevant Claim to the extent of its indemnity under clause 18.2(e) and electing that this clause 18.3(c) applies to the Relevant Claim. If UGC Australia so elects:
 - (i) UGC Australia may at its own expense resist the Relevant Claim in the name of any relevant company and have the sole conduct of any dispute, defence, appeal, compromise or settlement of the Relevant Claim;
 - (ii) FOXTEL must procure that UGC Australia is given such assistance (including reasonable assistance from employees of each FOXTEL Group Member), and (following Completion) access to such documents and records of, or relating to, each AUSTAR Group Member, as UGC Australia reasonably requires for the purposes of considering and resisting the Relevant Claim;
 - (iii) UGC Australia must keep FOXTEL Management fully informed of any negotiations regarding the Relevant Claim and must promptly give FOXTEL Management a copy of all correspondence or other documentation (including a note of any material communications or discussions not in written form) in respect of the Relevant Claim;
 - (iv) FOXTEL must procure that no FOXTEL Group Member settles, compromises or makes any admissions in respect of the Relevant Claim; and
 - (v) UGC Australia must not make any admission of liability or wrongdoing in respect of the Relevant Claim which gives rise to a material liability for any FOXTEL Group Member (other than one fully indemnified under clause 18.2(e)) or agree to any matter in respect of the Relevant Claim imposing future obligations or constraints on any FOXTEL Group Member, without the prior written consent of FOXTEL Management.

18.4 Separate and independent warranties

Each warranty under clause 18.1 is separate and independent and, except as expressly provided to the contrary in this deed, is not limited by reference to any other warranty or any other provision of this deed.

19. LIMITATIONS ON CLAIMS

19.1 Financial thresholds and limits

- (a) No Liberty Group Member is liable in respect of any Claim unless the aggregate amount of damages resulting from any and all Claims:
- (i) in relation to a breach of the Liberty Warranties and a breach of the undertaking in clauses 17.1(b) and 17.1(c) and any corresponding indemnity under clause 18.2, exceed in aggregate \$500,000; or
 - (ii) in relation to a breach of undertaking in clause 17.1(d) and any corresponding indemnity under clause 18.2, exceed in aggregate \$1,000,000,

in which case the whole amount claimed, not just the amount in excess of the aggregate threshold may be claimed.

- (b) The maximum aggregate liability of the Liberty Group (in aggregate) arising out of or in connection with any Transaction Document or its subject matter (including any and all Claims under the Liberty Warranties, warranties in the Implementation Deed or Claims in respect of any undertaking given by Liberty and UGC Australia in clause 17.1 and any corresponding indemnity under clause 18.2) is:
- (i) in relation to the indemnities provided in clause 18.2(b), the sum of \$1,046,456,758.88 and all establishment and commitment fees incurred by FOXTEL Group Members under the Term Sheets and the External Debt Funding Documents;
 - (ii) in relation to a breach of any Liberty Warranty (other than any warranty about the Liberty Information), clause 17.1(a) or clause 17.1(b), an amount equal to \$1,046,456,758.88;
 - (iii) in relation to a breach of the undertaking in clause 17.1(d), \$200,000,000; or
 - (iv) in relation to a breach of the undertaking in clause 17.1(c), \$20,000,000,

together with amounts payable under clause 24 and out-of-pocket expenses incurred by a FOXTEL Group Member in enforcing the indemnities provided that, other than as set out in clause 19.1(b)(i), in no event will the Liberty Group's liability (in aggregate) arising in connection with the Transaction Documents exceed an amount equal to \$1,046,456,758.88 together with amounts payable under clause 24 and out-of-pocket expenses incurred by a FOXTEL Group Member in enforcing the indemnities.

19.2 Time limits

The liability of any Liberty Group Member in respect of any Claim terminates:

- (a) 12 months after the Completion Date in respect of all Claims in relation to any Liberty Warranty (other than any warranty about the Liberty Information) and any corresponding indemnity under clause 18.2;
- (b) 9 months after the Completion Date in respect of Claims in relation to a breach of clause 17.1(a); or

- (c) 6 months after the Completion Date in respect of Claims in relation to a breach of clause 15, a breach of clause 17.1(b), 17.1(c) or 17.1(d) and any corresponding indemnity under clause 18.2,

except in respect of any Claim of which notice is given to UGC Australia in accordance with this deed before the relevant date. The liability of the Liberty Group (in aggregate) in respect of any such Claim will, in any event, terminate if proceedings in respect of that Claim have not been commenced within 12 months after notice of that Claim is given in accordance with this deed.

19.3 Notice

- (a) If any FOXTEL Group Member becomes aware of a matter or circumstance which may give rise to a Claim, FOXTEL Management must promptly give written notice to each of Liberty and UGC Australia specifying the relevant facts and the nature of the Claim.
- (b) Any delay in giving or failure to give a notice under clause 19.3(a) will not affect the obligations of UGC Australia under this deed except to the extent that the liability of UGC Australia is increased or UGC Australia's ability to defend a Claim is prejudiced as a result of the delay or failure.

19.4 Reduction in Purchase Price

Any payment made by any Liberty Group Member in respect of a Claim is, to the maximum extent possible, taken to be a reduction in the Purchase Price for Tax purposes but not for the purposes of the financial limits under clause 19.1.

19.5 Progress of Third Party Claims

- (a) If a Claim arises as a result of, or in connection with, a Third Party Claim, FOXTEL must:
 - (i) promptly give UGC Australia such details as are known to it of the Claim;
 - (ii) until such time as any final compromise, agreement, expert determination or non-appealable decision of a court or tribunal of competent jurisdiction is made in respect of the Third Party Claim or the Third Party Claim is otherwise finally disposed of keep UGC Australia informed on a timely basis of all significant developments in relation to the Third Party Claim; and
 - (iii) not make any admission of liability, agreement or compromise in relation to the Third Party Claim without the prior written consent of UGC Australia until the period in paragraph (b) has expired.
- (b) If UGC Australia notifies FOXTEL that UGC Australia or a member of the Liberty Group accepts responsibility for the Claim within 20 Business Days and indemnifies FOXTEL in respect of the Third Party Claim, FOXTEL will, at the Liberty Group's cost:
 - (i) consult with and procure that Aus Bidco 1, Aus Bidco 2, Bidder and the AUSTAR Group consults with UGC Australia, and takes account of the requirements of UGC Australia, in relation to the conduct of any dispute, defence, compromise or appeal of the Third Party Claim;
 - (ii) procure that each relevant AUSTAR Group Member, FOXTEL Group Member, Aus Bidco 1, Aus Bidco 2 and Bidder provides UGC Australia with copies of all documents and other information in the possession of the AUSTAR Group Member

or the FOXTEL Group and relating to the Third Party Claim that UGC Australia requests; and

- (iii) procure that no FOXTEL Group Member, AUSTAR Group Member, Aus Bidco 1, Aus Bidco 2 or Bidder cease to defend the Third Party Claim or makes any admission of liability, agreement or compromise in relation to the Third Party Claim without the prior written consent of UGC Australia.

19.6 Subsequent recovery

- (a) If UGC Australia or any Liberty Group Member makes a payment in respect of a Claim (**UGC Australia's Payment**) and:

- (i) at any time after the making of such payment any FOXTEL Group Member receives any sum other than from UGC Australia or any Liberty Group Member which would not have been received but for the matter or circumstance giving rise to that Claim (**the Third Party Sum**);
- (ii) the receipt of the Third Party Sum was not taken into account in calculating UGC Australia's Payment; and
- (iii) the aggregate of the Third Party Sum and UGC Australia's Payment exceeds the amount required to compensate the FOXTEL Group Members in full for the loss or liability which gave rise to the Claim in question (such excess being the **Excess Recovery**),

FOXTEL and FOXTEL Bidco must, promptly following receipt of the Third Party Sum by any FOXTEL Group Member, repay to UGC Australia an amount equal to the lesser of the Excess Recovery and UGC Australia's Payment.

- (b) If a FOXTEL Group Member makes a payment in respect of a Claim (**FOXTEL's Payment**) and:

- (i) at any time after the making of such payment any Liberty Group Member receives any sum other than from any FOXTEL Group Member which would not have been received but for the matter or circumstance giving rise to that Claim (**the Third Party Sum**);
- (ii) the receipt of the Third Party Sum was not taken into account in calculating FOXTEL's Payment; and
- (iii) the aggregate of the Third Party Sum and FOXTEL Payment exceeds the amount required to compensate the Liberty Group Members in full for the loss or liability which gave rise to the Claim in question (such excess being the **Excess Recovery**),

UGC Australia must (and Liberty will procure UGC Australia to), promptly following receipt of the Third Party Sum by any Liberty Group Member, repay to the relevant FOXTEL Group Member an amount equal to the lesser of the Excess Recovery and FOXTEL's Payment.

19.7 Insurance

Without prejudice to FOXTEL Bidco's or FOXTEL's duty to mitigate its loss or damage, if in respect of any matter which would otherwise give rise to a Claim, if any FOXTEL Group Member,

AUSTAR Group Member, Aus Bidco 1, Aus Bidco 2 or Bidder is entitled to claim under any policy of insurance the amount of the Claim is taken to be reduced by the amount of insurance monies to which the FOXTEL Group Member, AUSTAR Group Member, Aus Bidco 1, Aus Bidco 2 or Bidder is or would have been entitled.

19.8 Right to remedy

If the matter or circumstance giving rise to a Claim is capable of remedy, FOXTEL Bidco and FOXTEL must procure that UGC Australia is given a 30 Business Day period to remedy the relevant matter or circumstance and must, without prejudice to any duty of a FOXTEL Group Member to mitigate its loss, provide, and must procure that each FOXTEL Group Member, AUSTAR Group Member, Aus Bidco 1, Aus Bidco 2 and Bidder provides, at UGC Australia's cost all reasonable assistance to Liberty and UGC Australia to remedy the relevant matter or circumstance.

19.9 Acknowledgement

FOXTEL Bidco and FOXTEL acknowledge and agree that, as at the date of this deed:

- (a) neither FOXTEL Bidco nor FOXTEL is actually aware of any matter or circumstance which is inconsistent with any of the Liberty Warranties or makes or may make any of them untrue or inaccurate;
- (b) in no event will any Liberty Group Member be liable for consequential or indirect loss;
- (c) the warranties given by Liberty and UGC Australia in this deed and the Implementation Deed, and by the Bidder in the FOXTEL Funding Agreement (which may not be enforced or exercised until after Completion), are the only warranties of any kind given by or on behalf of any Liberty Group Member or any its Representatives to any FOXTEL Group Member or FOXTEL Partner Group Member or any of their respective Representatives in relation to the Transaction, the Transaction Documents and the Transaction Steps and no other statement, forecast, promise, representation or other assurance given or made by or on behalf of any Liberty Group Member or any its Representatives may form the basis of or be pleaded in connection with any Claim by FOXTEL Bidco, FOXTEL or any other FOXTEL Group Member or, following the Implementation Date, any AUSTAR Group Member or any of their Representatives, under or in connection with the Transaction Documents, the Transaction Steps or their subject matter;
- (d) it does not rely on any statement, forecast, promise, representation or other assurance given by or on behalf of any Liberty Group Member or any its Representatives to FOXTEL Bidco or FOXTEL or any of their Representatives in relation to the Transaction and the Transaction Steps that is not contained in the Transaction Documents; and
- (e) no Liberty Group Member nor any of its Representatives makes any warranty, statement, forecast, promise, representation or other assurance about the affairs of the AUSTAR Group or the effect of the Transaction Documents, Transaction Steps and the Transaction, nor does any Liberty Group Member nor any of its Representatives accept any responsibility for the conduct of the affairs of the AUSTAR Group including any disclosures it has made including to the ASX, ASIC, the market generally and to the FOXTEL Group, each FOXTEL Partner Group and their respective advisers including as a result of their due diligence inquiries.

19.10 No reliance

Each party acknowledges that in agreeing to enter into this deed and the other Transaction Documents it has not relied on any express or implied representation, warranty, collateral contract or other assurance made by or on behalf of any other party, other than those contained in a Transaction Document, before the entering into of this deed. Each party waives all rights and remedies that it may have in respect of any such representation, warranty, collateral contract or other assurance including all rights and remedies under Part 7.10 of the Corporations Act, Part 2 Division 2 of the Australian Securities and Investments Commission Act 2001(Cth), section 18, Schedule 2 (Australian Consumer Law) of the Competition and Consumer Act 2010 (Cth) or any corresponding or equivalent provision of any legislation having effect in any relevant jurisdiction.

19.11 No limitation of certain liabilities and remedies

Nothing in this clause limits or excludes any liability or remedy which cannot be limited or excluded as a matter of applicable law.

19.12 Liability to AUSTAR

Despite anything else in this clause 19, nothing in this deed in any way limits or qualifies the liability of Liberty Group Members to AUSTAR under, or in connection with, the Implementation Deed unless and until Implementation occurs.

19.13 Payment of judgment amount

- (a) Unless a Substitution Notice has been given, where this deed has been terminated after the Implementation Date by a party to it in accordance with its express terms (as a result of a breach of such express terms by a FOXTEL Group Member), then if a final judgment which may not be further appealed has been handed down by a court of competent jurisdiction (including a final order for damages) against one or more FOXTEL Group Members in respect of a Claim by any Liberty Group Member as a consequence of a breach of the express terms of this deed by a FOXTEL Group Member, FOXTEL must procure that FOXTEL Finco will pay that damages amount on behalf of the judgement debtor or debtors to AUSTAR on behalf of UGC Australia and each other Liberty Group Member.
- (b) AUSTAR indemnifies UGC Australia and each other Liberty Group Member in respect of any damages amount paid or payable by FOXTEL Finco as contemplated by paragraph (a) up to the amount received or recoverable by AUSTAR (including by way of set off under paragraph (c)) from FOXTEL Finco and upon receipt must immediately pay that amount to UGC Australia.
- (c) FOXTEL Finco may set off its obligation to pay the amount of that judgment debt to AUSTAR against AUSTAR's obligation to repay the FOXTEL Funding and AUSTAR may set off its obligation to repay the FOXTEL Funding against FOXTEL Finco's obligation to pay the amount of that judgment debt to AUSTAR.

20. FOXTEL WARRANTIES

20.1 Warranties

- (a) Each of FOXTEL Bidco and FOXTEL Finco warrants jointly and severally to Liberty and UGC Australia each of the FOXTEL Non-Tax Warranties in paragraphs 1(a) and 2(a) of Schedule 11.

- (b) Each of Telstra Media and Sky Cable severally and in its personal capacity warrants to Liberty and UGC Australia in respect of itself only the FOXTEL Non-Tax Warranties in paragraphs 1(a) and 2(a) of Schedule 11.
- (c) Each of Telstra Media and Sky Cable warrants jointly and severally to Liberty and UGC Australia the FOXTEL Non-Tax Warranty in paragraph 1(b) of Schedule 11.
- (d) FOXTEL Management, in its personal capacity, warrants to Liberty and UGC Australia each of the FOXTEL Non-Tax Warranties in paragraphs 1(a) and 2(b) of Schedule 11.

20.2 Separate and independent warranties

Each warranty given by FOXTEL Bidco, FOXTEL Finco, FOXTEL Management, Telstra Media, Sky Cable or FOXTEL in this deed is separate and independent and, except as expressly provided to the contrary in this deed, is not limited by reference to any other warranty or any other provision of this deed.

21. FOXTEL INDEMNITY

21.1 Indemnity by FOXTEL Finco, FOXTEL Bidco and FOXTEL

The following FOXTEL Group Members indemnify UGC Australia and each other Liberty Group Member in respect of:

- (a) FOXTEL Finco, FOXTEL Bidco, FOXTEL Management, Telstra Media and Sky Cable, any Taxes (determined without regard to any loss, credit or other Tax asset otherwise available) and Losses arising out of or based upon a breach of any FOXTEL Non-Tax Warranties, and where that FOXTEL Non-Tax Warranty is given:
 - (i) in a specified capacity, it indemnifies Liberty and UGC Australia and each other Liberty Group Member in that same capacity only; and
 - (ii) with one or more other parties, either severally or jointly and severally, it indemnifies Liberty and UGC Australia and each other Liberty Group Member on the same basis only;
- (b) FOXTEL Bidco, FOXTEL Finco and FOXTEL, any Taxes (determined without regard to any loss, credit or other Tax asset otherwise available) and Losses arising out of or based upon a breach of clauses 6.3(a), 6.3(c), 6.3(d), 15.3(a)(i) or 15.3(f) by FOXTEL Bidco or FOXTEL including the obligation to purchase the Sale Shares and pay the Purchase Price; and
- (c) FOXTEL Bidco, FOXTEL Finco and FOXTEL, any Taxes (determined without regard to any loss, credit or other Tax asset otherwise available) and Losses arising out of or based upon:
 - (i) any breach or non-performance of any warranty, undertaking or agreement made or to be performed by FOXTEL Bidco, FOXTEL Finco or FOXTEL in clauses 6.4, 6.7 or 15.10, including where that breach or non-performance (x) limits the ability of UGC Australia or any other Liberty Group Member to rely on the IRS Private Letter Ruling, or (y) causes the FOXTEL Funding to be treated as equity, or as disregarded, for Tax purposes; or

- (ii) the failure of any written representation or statement regarding any FOXTEL Group Member made by Liberty to the IRS in connection with the IRS Private Letter Ruling to be true and correct in its entirety, provided that such statement was reviewed and verified in writing by FOXTEL at its discretion.

21.2 Limitation on Tax Indemnity

- (a) Except as provided in clause 21.3, the maximum aggregate liability of all FOXTEL Group Members arising out of or in connection with the indemnity provided in clause 21.1(c) (the **Tax Indemnity**) or its subject matter (including any additional amounts payable under clause 23.2) is US\$350,000,000 plus any amounts owing by a FOXTEL Group Member to a Liberty Group Member under clause 24.
- (b) If, within 5 years after the date of Completion, Liberty:
 - (i) has not provided to FOXTEL Bidco and FOXTEL a notice that there is a pending audit, assessment, proceeding, Claim or other contest (a **Tax Contest**) involving UGC Australia or any other Liberty Group Member that specifically includes reference to the Transaction (a **Tax Contest Notice**), then the liability of FOXTEL Bidco, FOXTEL Finco and FOXTEL under the Tax Indemnity is terminated; or
 - (ii) has provided to FOXTEL Bidco and FOXTEL a Tax Contest Notice, then the liability of FOXTEL Bidco, FOXTEL Finco and FOXTEL under the Tax Indemnity will continue until such time as the amount of any Taxes and Losses indemnified under the Tax Indemnity have been finally determined under all applicable laws.

21.3 Control of Tax Contests

- (a) Subject to clause 21.3(c) and provided the conditions set forth in clause 21.3(b) are satisfied, Liberty agrees to contest in good faith any Tax Contest relating to any Taxes or Losses that may be subject to the Tax Indemnity (a **Transaction Tax Claim**) and agrees not to settle such Tax Contest without the written consent of FOXTEL Management. FOXTEL Bidco, FOXTEL Finco and FOXTEL shall have the right to participate in any such Tax Contest, and Liberty shall keep FOXTEL Management updated and informed with respect to such contest. FOXTEL Bidco, FOXTEL Finco and FOXTEL shall have the right to receive copies of material correspondence, to attend (with its legal counsel) conferences with the IRS, and to be consulted with prior to Liberty taking material positions concerning such Tax Contest. The conduct of the Tax Contest shall be controlled by Liberty (or such other person as Liberty shall have designated, subject to FOXTEL Bidco, FOXTEL Finco and FOXTEL's rights to participate in such contest, to be kept updated and informed, to receive copies of material correspondence, to attend conferences with the IRS, and to be consulted with prior to Liberty taking material positions concerning such Tax Contest), including, subject to paragraph (c), the choice of forum, the determination of whether or not to pay the contested amounts and seek a refund, and the choice of legal counsel (as well as accountants and other experts) to prosecute the contest. Notwithstanding the foregoing, Liberty agrees that it will use nationally recognised counsel and accountants in connection with the defence of any Tax Contest.
- (b) Prior to taking any action to contest the Transaction Tax Claim described in clause 21.3(a), and again prior to any appeal of an adverse IRS Appeals Office or judicial decision:
 - (i) in the case of any appeal to be taken to the IRS Appeals Office or thereafter, FOXTEL Management shall have delivered to Liberty a written opinion of

nationally recognised tax counsel selected by FOXTEL Management (such counsel and form of opinion to be reasonably satisfactory to Liberty) to the effect that:

- (A) for an appeal to be taken to the IRS Appeals Office, such appeal is reasonable in light of the position of the IRS examination team and counsel's belief as to the merits of the Tax Contest; and
 - (B) for an appeal to be taken to a judicial forum, including appeal of a judicial decision, either:
 - I. Liberty is more likely than not to prevail in the applicable contest; or
 - II. failure to appeal would require a substantially greater payment by FOXTEL Bidco, FOXTEL Finco or FOXTEL than such counsel believes is appropriate given counsel's belief as to the merits of the Tax Contest; and
- (ii) FOXTEL Bidco, FOXTEL Finco and FOXTEL shall have agreed in writing to pay the reasonable out-of-pocket expenses that Liberty shall incur in connection with contesting such action or proposed action, which amounts shall not be subject to the limitation under clause 21.2; provided, however, that if such contest involves or affects Tax items of any Liberty Group Member other than the Transaction Tax Claim, including claims for liability of a Liberty Group Member arising from any transaction contemplated by a Transaction Document under theories that are not subject to the Tax Indemnity, then FOXTEL Bidco, FOXTEL Finco and FOXTEL shall only be required to pay their allocable portion of such expenses, based upon a reasonable approximation of the actual amount of such expenses that are reasonably related to the contest of the Transaction Tax Claim in relation to the other Tax items involved or affected by such contest. If FOXTEL Bidco, FOXTEL Finco and FOXTEL are finally determined not to be responsible for indemnification under the Transaction Tax Claim, then Liberty shall refund any amount that FOXTEL Bidco, FOXTEL Finco or FOXTEL (as applicable) previously paid to Liberty under this paragraph (ii) to such party.
- (c) If the conditions set forth in clause 21.3(b) have been satisfied with respect to the appeal of any adverse decision to a judicial forum, and with respect to such appeal, the Transaction Tax Claim is the only claim that would be the subject of a judicial proceeding under this clause, then FOXTEL Management may determine in its discretion the judicial forum in which such litigation shall occur, including whether the Tax shall be paid in advance and be subject to a suit for refund. If other claims of any Liberty Group Member would also be the subject of any judicial proceeding in addition to the Transaction Tax Claim, then Liberty shall make such determination in its discretion. If, as a consequence of the foregoing, the Tax is to be paid and a suit brought for a refund, FOXTEL Bidco, FOXTEL Finco and FOXTEL must promptly advance to Liberty sufficient funds to pay the Tax payable with respect thereto, provided, however, that Liberty shall promptly repay any amounts advanced or paid by FOXTEL Bidco, FOXTEL Finco or FOXTEL pursuant to this clause 21.3(c) to the extent that Liberty obtains, and reasonably determines that it will retain, such refund. Such advance shall be on an interest-free basis; provided, however, that if interest is paid or credited by any Governmental Authority on any amounts refunded to Liberty, then such interest shall be paid to FOXTEL Bidco, FOXTEL Finco or FOXTEL (as applicable), net of any costs incurred by Liberty in claiming such refund.

- (d) If the conditions described in clause 21.3(b) have been satisfied, then any interest required to be paid to any Governmental Authority with respect to any Transaction Tax Claim that accrues from and after the date Liberty receives a notice of proposed adjustment from the IRS for U.S. federal income tax purposes (or a similar notice of adjustment under other applicable law from any other taxing authority) with respect to such Transaction Tax Claim shall not be subject to the limitation under clause 21.2.

21.4 Limitation of liability for failure to complete

The maximum aggregate liability of the FOXTEL Group (in aggregate) arising out of or in connection with the indemnities provided in clause 21.1(b) is an amount equal to the sum of the following amounts:

- (a) in respect of the aggregate of all indemnified Losses and any amounts payable under clause 23.2 in respect of such Losses but excluding any Losses referred to in paragraphs (d) and (e), \$1,046,456,758.88;
- (b) in respect of the aggregate of all indemnified Taxes (including any amounts payable under clause 23.2 in respect of such Taxes), US\$350,000,000;
- (c) amounts payable under clause 24 in respect of such a Claim arising out of or in connection with the indemnities;
- (d) out-of-pocket expenses incurred by a Liberty Group Member in enforcing the indemnities;
- (e) any interest, charges or other fees accruing on the Scheme Funding under any Scheme Funding Agreement (or any replacement funding agreement, to the extent the total interest, charges and other fees accruing are not greater than those that would have accrued under the Scheme Funding Agreement it replaced) from the date on which Completion would have occurred but for that breach; and
- (f) any Losses and Taxes associated with any refinancing of the Substitute Funding Agreement, if Liberty reasonably determines that such refinancing is reasonably necessary to mitigate Liberty's Losses or Taxes.

21.5 Time limits

Except with respect to any Claim which is the subject of the Tax Indemnity:

- (a) the liability of any FOXTEL Group Member terminates 6 months after the Completion Date in respect of Claims in relation to a breach of clause 15 except in respect of any Claim of which notice is given to FOXTEL Management in accordance with this deed before the relevant date; and
- (b) the liability of the FOXTEL Group (in aggregate) in respect of any such Claim will in any event terminate if proceedings in respect of that Claim have not been commenced within 12 months after notice of that Claim is given in accordance with this deed.

22. GUARANTEE BY FOXTEL

22.1 Guarantee and indemnity

FOXTEL unconditionally and irrevocably:

- (a) guarantees to each Liberty Group Member the payment when due of all amounts payable by FOXTEL Bidco and FOXTEL Finco under or pursuant to this deed and the Transaction Documents;
- (b) undertakes to ensure that FOXTEL Bidco and FOXTEL Finco will perform when due all its obligations under or pursuant to this deed and the Transaction Documents;
- (c) agrees that if and each time that FOXTEL Bidco or FOXTEL Finco fails to make any payment when it is due under or pursuant to this deed, FOXTEL must on demand (without requiring any Liberty Group Member first to take steps against FOXTEL Bidco, FOXTEL Finco or any other person) pay that amount to the relevant Liberty Group Member as if it were the principal obligor in respect of that amount; and
- (d) agrees as principal debtor and primary obligor to indemnify UGC Australia and each Liberty Group Member against, and to pay to UGC Australia or the relevant Liberty Group Member on demand an amount equal to, any Taxes (determined without regard to any loss, credit or other Tax asset otherwise available) and Losses directly or indirectly incurred or suffered by UGC Australia or any other Liberty Group Member arising out of or in connection with any non-payment or default of any kind by FOXTEL Bidco or FOXTEL Finco under or pursuant to this deed or any Transaction Document but, without limiting any rights in relation to FOXTEL under any other provision of this deed or any other Transaction Documents, in no event will FOXTEL's liability to pay an amount under the indemnity under this clause 22.1(d) exceed the amount payable by FOXTEL Bidco or FOXTEL Finco (as applicable) under or pursuant to this deed or any Transaction Document (other than as a result of any of the circumstances set out in clause 22.2).

The Liberty Group may only recover once for the same Loss or Tax, and FOXTEL is not liable under this clause 22.1 for a Loss or Tax to the extent that the same Loss or Tax has been actually recovered in another Claim or the same Claim against FOXTEL Bidco or FOXTEL Finco.

22.2 Obligations not affected by certain matters

The obligations of FOXTEL under clause 22.1 are not affected by any matter or thing which, but for this provision, might operate to affect or prejudice those obligations, including:

- (a) any time or indulgence granted to, or composition with, FOXTEL Bidco, FOXTEL Finco or any other person;
- (b) the taking, variation, renewal or release of, or neglect to perfect or enforce this deed or any right, guarantee, remedy or security from or against FOXTEL Bidco, FOXTEL Finco or any other person;
- (c) any variation or change to the terms of, or any waiver, consent or notice given under, this deed; or
- (d) any unenforceability or invalidity of any obligation of FOXTEL Bidco or FOXTEL Finco, so that this deed must be construed as if there were no such unenforceability or invalidity.

22.3 Waiver of rights

FOXTEL irrevocably waives and must not exercise any right of indemnity or subrogation which it otherwise might be entitled to claim and enforce against or in respect of UGC Australia or any Liberty Group Member.

22.4 FOXTEL Bidco and FOXTEL Finco's actions to bind FOXTEL

Any agreement, waiver, consent or release given by FOXTEL Bidco or FOXTEL Finco binds FOXTEL.

23. MITIGATION; GROSS-UP

23.1 Duty to mitigate

- (a) Subject to paragraph (c), nothing in this deed relieves any FOXTEL Group Member, AUSTAR Group Member or Liberty Group Member from any duty to mitigate any Loss or Tax (including any indemnified Loss or Tax).
- (b) Without limiting paragraph (a) but subject to paragraph (c), a party is not liable for any additional Loss or Tax which is the subject of that Claim because:
 - (i) if the party making the Claim is a FOXTEL Group Member, any FOXTEL Group Member; or
 - (ii) if the party making the Claim is a Liberty Group Member or, if the Claim is made before Completion, an AUSTAR Group Member, any Liberty Group Member or, before Completion, any AUSTAR Group Member,

has failed to take reasonable steps to mitigate the Loss or Tax the subject of the Claim.

- (c) The parties acknowledge that no duty to mitigate referred to in paragraph (a) requires:
 - (i) UGC Australia to delay the sale of any Sale Shares to a third party (following a failure to Complete) due to unfavourable market conditions existing at the time of that sale and nothing in paragraph (b) limits a FOXTEL Group Member's liability for a Claim that is increased because of such delay; or
 - (ii) any Liberty Group Member to mitigate any Tax or achieve the same Tax outcome as contemplated by the Transaction and nothing in paragraph (b) limits a FOXTEL Group Member's liability for indemnified Taxes.

23.2 Tax Gross-Up

Subject to clauses 19.1, 21.2 and 21.4, if the receipt or accrual of any indemnification payment pursuant to an indemnity under this deed causes, directly or indirectly, an increase in the taxable income of the recipient under one or more applicable Tax laws or is otherwise subject to Tax under any applicable Tax law, such payment shall be increased so that, after the payment of any Taxes with respect to the payment (including as so increased), the recipient thereof shall have received the same net amount the recipient would have received had the payment not resulted in taxable income or otherwise been subject to Tax.

24. PAYMENTS

24.1 Accounts for payments

Each payment to be made under this deed must be made by unconditional transfer of the relevant cash amount (free of any set off or other deduction) into an account nominated by the payee on or before the date on which the payment is due.

24.2 Default interest

If a party defaults in making any payment when due of any sum payable under this deed, it must pay interest on that sum from (and including) the date on which payment is due until (but excluding) the date of actual payment (after as well as before judgment) at an annual rate of 15% on that sum, which interest accrues from day to day and must be compounded monthly.

24.3 Gross up

If a party is required by law to make a deduction or withholding in respect of any sum payable under clause 24.2, the party must:

- (a) pay the deducted or withheld amount to the appropriate Governmental Authority and provide evidence of such payment to the payee; and
- (b) at the same time as the sum which is the subject of the deduction or withholding is payable, make a payment to the payee of such additional amount as is required to ensure that the net amount received by payee will equal the full amount which would have been received by it had no such deduction or withholding been required to be made.

25. CONFIDENTIALITY

Each party acknowledges that "Confidential Information" for the purposes of the Liberty Confidentiality Deed includes:

- (a) the terms of and subject matter of, and the negotiations relating to, this deed; and
- (b) in the case of Liberty, on and from the Implementation Date, information provided to the Liberty Group by the AUSTAR Group.

26. TERMINATION

26.1 Termination of this deed

This deed will terminate if the Implementation Deed is terminated. It may not be terminated in any other circumstances except as contemplated in clause 15.7 or 15.8.

26.2 Consequences of termination

Subject to the Implementation Deed, on termination of this deed:

- (a) any accrued rights and obligations of the parties are not affected; and
- (b) the parties are released from further performing their obligations under this deed.

27. GST

- (a) For the purposes of this clause 27:
 - (i) words and expressions defined in the GST Law have the same meaning in this clause 27;
 - (ii) GST Law has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999 (Cth); and
 - (iii) references to GST payable and input tax credit entitlements of an entity include GST payable by, and the input tax credit entitlements of, the representative member of the GST group of which the entity is a member.
- (b) Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided in accordance with this deed are exclusive of GST (**GST Exclusive Consideration**).
- (c) If GST is payable on any supply made under or in connection with this deed the recipient will pay to the party that has made or will make the supply (**Supplier**), in addition to the GST Exclusive Consideration, an amount equal to the GST payable on that supply (**Additional Amount**).
- (d) The recipient will pay the Additional Amount without any set-off, demand or deduction, at the same time and in the same manner as any GST Exclusive Consideration for a supply is required to be paid except that the Additional Amount is not required to be paid unless and until the Supplier has issued the recipient with a tax invoice that complies with the GST Law.
- (e) If any adjustment event occurs in respect of a supply to which this clause 27 applies:
 - (i) the Additional Amount paid or payable by the recipient must be recalculated, taking into account any previous adjustments under this clause 27, to reflect the occurrence of that adjustment event and a payment must be made by the Supplier or the recipient as the case requires; and
 - (ii) the Supplier must provide an adjustment note to the recipient as soon as is practicable after the Supplier becomes aware of the occurrence of that adjustment event.
- (f) Where a party is required under this document to pay or reimburse an expense or outgoing of another party, the amount to be reimbursed by the first party will be the sum of:
 - (i) the amount of the expense or outgoing less any input tax credits which are available to the party in respect of that expense or outgoing; and
 - (ii) if the payment or reimbursement is subject to GST, an amount equal to that GST.
- (g) This clause 27 does not merge on completion or termination of this document.

28. STAMP DUTY

Subject to clause 18.2(e):

- (a) FOXTEL, as between the parties, is liable for and must pay all Stamp Duties in respect of this deed, the FOXTEL Funding, the Scheme and the Transaction or the steps to be taken under this deed, the Scheme and the other Transaction Documents; and
- (b) if a party other than FOXTEL pays an amount referred to in clause 28(a), FOXTEL must pay that amount to the paying party on demand.

29. NOTICES

29.1 Manner of giving notice

Any notice or other communication to be given under this deed must be in writing (which includes fax) and may be delivered or sent by fax to the party to be served as follows:

- (a) to Liberty at:

Address: 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America
Fax number: +1 303 220 6691
For the attention of: Legal Department;

With a copy to Allen & Overy:

Address: Level 7, 1 Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Fax number: +61 2 9373 7710
For the attention of: Michael Parshall;

- (b) to UGC Australia c/o Liberty Global, Inc. at:

Address: 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America
Fax number: +1 303 220 6691
For the attention of: Legal Department;

With a copy to Allen & Overy:

Address: Level 7, 1 Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Fax number: +61 2 9373 7710
For the attention of: Michael Parshall;

- (c) to AUSTAR at:

Address: Level 1, 46-52 Mountain Street, Ultimo NSW 2007
Fax number: +61 2 92950163
For the attention of: Deanne Weir;

- (d) to FOXTEL, FOXTEL Bidco or FOXTEL Finco at:

Address: 5 Thomas Holt Drive, North Ryde NSW 2113
Fax number: +61 2 9813 7606 and +61 2 9813 6113
For the attention of: Director of Legal and Business Affairs / Chief Financial Officer,

With a copy to Allens Arthur Robinson:
Address: 126 Phillip Street, Sydney NSW 2000
Fax number: +61 2 9230 5333
For the attention of: Kylie Brown / Marcus Clark,

or at any such other address or fax number notified for this purpose to the other parties under this clause 29.

29.2 When notice given

Any notice or other communication is deemed to have been given:

- (a) if delivered, on the date of delivery; or
- (b) if sent by fax, at the time shown in the transmission report as being the time at which the whole fax was successfully sent,

but if the notice or other communication would otherwise be taken to be received after 5.00 pm or on a Saturday, Sunday or public holiday in the place of receipt then the notice or communication is taken to be received at 9.00am on the next day that is not a Saturday, Sunday or public holiday in the place of receipt.

29.3 Proof of service

In proving service of a notice or other communication, it is sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid post or by prepaid airmail, or that the fax was properly addressed and transmitted, as the case may be.

29.4 Documents relating to legal proceedings

This clause 29 does not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this deed.

30. PROCESS AGENT

UGC Australia:

- (a) irrevocably appoints Allen & Overy, Level 7, Gold Fields House, 1 Alfred Street, Sydney, New South Wales 2000, Australia (Attention Michael Parshall/Michael Reede) as its agent to accept service of process and other documents in any legal action or proceedings arising out of or in any way related to this deed and related non-contractual matters before courts of New South Wales and courts competent to hear appeals from those courts;
- (b) must ensure that at all times, the agent or a replacement acceptable to FOXTEL remains present, authorised and able to accept service of process and other documents on its behalf and, if there is a replacement, it must immediately notify the other parties and provide them with satisfactory evidence of the replacement's acceptance of its appointment; and
- (c) agrees that service of any process or documents on the agent (or any replacement) will be sufficient service on it.

SCHEDULE 1

PROMISSORY NOTE 1A

For value received, UnitedGlobalCom, Inc. of 12300 Liberty Boulevard, Englewood, Colorado 80112, United States of America (**Issuer**) unconditionally promises to pay to UGC Australia BV (**Bearer**) on demand on the Redemption Date the Principal Sum.

Principal Sum: A\$1,046,456,758.88

Redemption Date:

The Issuer's obligation to pay the Principal Sum may be set off against any obligation of the Bearer to pay any amounts to the Issuer.

The Issuer waives presentment of this note for payment of the Principal Sum. If the Redemption Date for this note would otherwise fall on a day which is not a business day in Sydney, redemption shall be postponed to the next business day in Sydney.

This note is negotiable by delivery. This note will be a non-interest bearing, unsecured obligation of the issuer which ranks pari passu with all other unsecured indebtedness of the Issuer.

If this note is lost, stolen, mutilated, defaced or destroyed, it may be replaced on presentation of the Issuer for that purpose at no cost to the claimant. A mutilated or defaced note must be surrendered before a replacement will be issued.

This note is governed by the laws applying in New South Wales, including provisions of the *Bills of Exchange Act 1909* (Cth) in so far as they relate to promissory notes. The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts.

Executed as a deed poll

Date: _____

EXECUTED by UNITEDGLOBALCOM, INC.

by:

Signature of Officer

Name of Officer

Title of Officer

SCHEDULE 2

PROMISSORY NOTE 1B(i)

For value received, UGC Australia BV of Boeing Avenue 53, Schiphol Rijk, Amsterdam, 1119 PE, The Netherlands (**Issuer**) unconditionally promises to pay to United AUSTAR Partners (**Bearer**) on demand on the Redemption Date the Principal Sum.

Principal Sum: A\$690,312,079.22

Redemption Date:

The Issuer's obligation to pay the Principal Sum may be set off against any obligation of the Bearer to pay any amounts to the Issuer.

The Issuer waives presentment of this note for payment of the Principal Sum. If the Redemption Date for this note would otherwise fall on a day which is not a business day in Sydney, redemption shall be postponed to the next business day in Sydney.

This note is negotiable by delivery. This note will be a non-interest bearing, unsecured obligation of the issuer which ranks *pari passu* with all other unsecured indebtedness of the Issuer.

If this note is lost, stolen, mutilated, defaced or destroyed, it may be replaced on presentation of the Issuer for that purpose at no cost to the claimant. A mutilated or defaced note must be surrendered before a replacement will be issued.

This note is governed by the laws applying in New South Wales, including provisions of the *Bills of Exchange Act 1909* (Cth) in so far as they relate to promissory notes. The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts.

Executed as a deed poll

Date: _____

EXECUTED on behalf of UGC AUSTRALIA
BV
by UNITEDGLOBALCOM, INC.:

Signature of Officer

Name of Officer

Title of Officer

SCHEDULE 3

PROMISSORY NOTE 1B(ii)

For value received, UGC Australia BV of Boeing Avenue 53, Schiphol Rijk, Amsterdam, 1119 PE, The Netherlands (**Issuer**) unconditionally promises to pay to United Astar Partners (**Bearer**) on demand on the Redemption Date the Principal Sum.

Principal Sum: A\$346,659,648.62

Redemption Date:

The Issuer's obligation to pay the Principal Sum may be set off against any obligation of the Bearer to pay any amounts to the Issuer.

The Issuer waives presentment of this note for payment of the Principal Sum. If the Redemption Date for this note would otherwise fall on a day which is not a business day in Sydney, redemption shall be postponed to the next business day in Sydney.

This note is negotiable by delivery. This note will be a non-interest bearing, unsecured obligation of the issuer which ranks *pari passu* with all other unsecured indebtedness of the Issuer.

If this note is lost, stolen, mutilated, defaced or destroyed, it may be replaced on presentation of the Issuer for that purpose at no cost to the claimant. A mutilated or defaced note must be surrendered before a replacement will be issued.

This note is governed by the laws applying in New South Wales, including provisions of the *Bills of Exchange Act 1909* (Cth) in so far as they relate to promissory notes. The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts.

Executed as a deed poll

Date: _____

EXECUTED on behalf of UGC AUSTRALIA
BV by UNITEDGLOBALCOM, INC.:

Signature of Officer

Name of Officer

Title of Officer

SCHEDULE 4

PROMISSORY NOTE 1C

For value received, UGC Australia BV of Boeing Avenue 53, Schiphol Rijk, Amsterdam, 1119 PE, The Netherlands (Issuer) unconditionally promises to pay to United AUN, LLC (Bearer) on demand on the Redemption Date the Principal Sum.

Principal Sum: A\$9,485,031.04

Redemption Date:

The Issuer's obligation to pay the Principal Sum may be set off against any obligation of the Bearer to pay any amounts to the Issuer.

The Issuer waives presentment of this note for payment of the Principal Sum. If the Redemption Date for this note would otherwise fall on a day which is not a business day in Sydney, redemption shall be postponed to the next business day in Sydney.

This note is negotiable by delivery. This note will be a non-interest bearing, unsecured obligation of the issuer which ranks *pari passu* with all other unsecured indebtedness of the Issuer.

If this note is lost, stolen, mutilated, defaced or destroyed, it may be replaced on presentation of the Issuer for that purpose at no cost to the claimant. A mutilated or defaced note must be surrendered before a replacement will be issued.

This note is governed by the laws applying in New South Wales, including provisions of the *Bills of Exchange Act 1909* (Cth) in so far as they relate to promissory notes. The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts.

Executed as a deed poll

Date: _____

EXECUTED on behalf of UGC AUSTRALIA
BV by UNITEDGLOBALCOM, INC.:

Signature of Officer

Name of Officer

Title of Officer

SCHEDULE 5

PROMISSORY NOTE 2A

For value received, UGC Australia BV of Boeing Avenue 53, Schiphol Rijk, Amsterdam, 1119 PE, The Netherlands (**Issuer**) unconditionally promises to pay to LGI Investments 1 Pty Limited ACN 151 765 007 (**Bearer**) on demand on the Redemption Date the Principal Sum.

Principal Sum: A\$1,036,971,728

Redemption Date:

The Issuer's obligation to pay the Principal Sum may be set off against any obligation of the Bearer to pay any amounts to the Issuer.

The Issuer waives presentment of this note for payment of the Principal Sum. If the Redemption Date for this note would otherwise fall on a day which is not a business day in Sydney, redemption shall be postponed to the next business day in Sydney.

This note is negotiable by delivery. This note will be a non-interest bearing, unsecured obligation of the issuer which ranks *pari passu* with all other unsecured indebtedness of the Issuer.

If this note is lost, stolen, mutilated, defaced or destroyed, it may be replaced on presentation of the Issuer for that purpose at no cost to the claimant. A mutilated or defaced note must be surrendered before a replacement will be issued.

This note is governed by the laws applying in New South Wales, including provisions of the *Bills of Exchange Act 1909* (Cth) in so far as they relate to promissory notes. The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts.

Executed as a deed poll

Date: _____

EXECUTED on behalf of UGC AUSTRALIA
BV by UNITEDGLOBALCOM, INC.:

Signature of Officer

Name of Officer

Title of Officer

SCHEDULE 6

PROMISSORY NOTE 2B

For value received, LGI Investments 1 Pty Limited ACN 151 765 007 of Level 7, Gold Fields House, 1 Alfred Street, Sydney, NSW (Issuer) unconditionally promises to pay to UGC Australia BV (Bearer) on demand on the Redemption Date the Principal Sum.

Principal Sum: A\$1,036,971,728

Redemption Date:

The Issuer's obligation to pay the Principal Sum may be set off against any obligation of the Bearer to pay any amounts to the Issuer.

The Issuer waives presentment of this note for payment of the Principal Sum. If the Redemption Date for this note would otherwise fall on a day which is not a business day in Sydney, redemption shall be postponed to the next business day in Sydney.

This note is negotiable by delivery. This note will be a non-interest bearing, unsecured obligation of the issuer which ranks pari passu with all other unsecured indebtedness of the Issuer.

If this note is lost, stolen, mutilated, defaced or destroyed, it may be replaced on presentation of the Issuer for that purpose at no cost to the claimant. A mutilated or defaced note must be surrendered before a replacement will be issued.

This note is governed by the laws applying in New South Wales, including provisions of the *Bills of Exchange Act 1909* (Cth) in so far as they relate to promissory notes. The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts.

Executed as a deed poll

Date: _____

EXECUTED for and on behalf of **LGI INVESTMENTS 1 PTY LIMITED** ACN 151 765 007 by its attorney under a power of attorney dated 8 July 2011 and the attorney declares that the attorney has not received any notice of the revocation of such power of attorney:

Signature of Attorney

Signature of Witness

Name of Attorney

Name of Witness

SCHEDULE 7

PROMISSORY NOTE 3

For value received, LGI Bidco Pty Limited ACN 151 767 449 of Level 7, Gold Fields House, 1 Alfred Street, Sydney, NSW (**Issuer**) unconditionally promises to pay to AUSTAR United Communications Limited (**Bearer**) on demand on the Redemption Date the Principal Sum.

Principal Sum: A\$[●], being \$1.52 for every Scheme Share

Redemption Date:

The Issuer's obligation to pay the Principal Sum may be set off against any obligation of the Bearer to pay any amounts to the Issuer.

The Issuer waives presentment of this note for payment of the Principal Sum. If the Redemption Date for this note would otherwise fall on a day which is not a business day in Sydney, redemption shall be postponed to the next business day in Sydney.

This note is negotiable by delivery. This note will be a non-interest bearing, unsecured obligation of the issuer which ranks pari passu with all other unsecured indebtedness of the Issuer.

If this note is lost, stolen, mutilated, defaced or destroyed, it may be replaced on presentation of the Issuer for that purpose at no cost to the claimant. A mutilated or defaced note must be surrendered before a replacement will be issued.

This note is governed by the laws applying in New South Wales, including provisions of the *Bills of Exchange Act 1909* (Cth) in so far as they relate to promissory notes. The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts.

Executed as a deed poll

Date: _____

EXECUTED for and on behalf of **LGI BIDCO PTY LIMITED ACN 151 767 449** by its attorney under a power of attorney dated 8 July 2011 and the attorney declares that the attorney has not received any notice of the revocation of such power of attorney:

Signature of Attorney

Signature of Witness

Name of Attorney

Name of Witness

SCHEDULE 8

PROMISSORY NOTE 4

For value received, AUSTAR United Communications Limited ABN 88 087 695 707 (**Issuer**) unconditionally promises to pay to LGI Investments 1 Pty Limited of Level 7, Gold Fields House, 1 Alfred Street, Sydney, NSW (**Bearer**) on demand on the Redemption Date the Principal Sum.

Principal Sum: A\$[●], being \$1.52 for every Scheme Share

Redemption Date:

The Issuer's obligation to pay the Principal Sum may be set off against any obligation of the Bearer to pay any amounts to the Issuer.

The Issuer waives presentment of this note for payment of the Principal Sum. If the Redemption Date for this note would otherwise fall on a day which is not a business day in Sydney, redemption shall be postponed to the next business day in Sydney.

This note is negotiable by delivery. This note will be a non-interest bearing, unsecured obligation of the issuer which ranks pari passu with all other unsecured indebtedness of the Issuer.

If this note is lost, stolen, mutilated, defaced or destroyed, it may be replaced on presentation of the Issuer for that purpose at no cost to the claimant. A mutilated or defaced note must be surrendered before a replacement will be issued.

This note is governed by the laws applying in New South Wales, including provisions of the *Bills of Exchange Act 1909* (Cth) in so far as they relate to promissory notes. The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts.

Executed as a deed poll

Date: _____

EXECUTED for and on behalf of **AUSTAR UNITED COMMUNICATIONS LIMITED** **ABN 88 087 695 707** by its attorney under a power of attorney dated [●] and the attorney declares that the attorney has not received any notice of the revocation of such power of attorney:

Signature of Attorney

Signature of Witness

Name of Attorney

Name of Witness

SCHEDULE 9

PROMISSORY NOTE 5

For value received, LGI Investments 1 Pty Limited ACN 151 765 007 of Level 7, Gold Fields House, 1 Alfred Street, Sydney, NSW (Issuer) unconditionally promises to pay to UGC Australia BV (Bearer) on demand on the Redemption Date the Principal Sum.

Principal Sum: A\$[●], being \$1.52 for every Scheme Share

Redemption Date:

The Issuer's obligation to pay the Principal Sum may be set off against any obligation of the Bearer to pay any amounts to the Issuer.

The Issuer waives presentment of this note for payment of the Principal Sum. If the Redemption Date for this note would otherwise fall on a day which is not a business day in Sydney, redemption shall be postponed to the next business day in Sydney.

This note is negotiable by delivery. This note will be a non-interest bearing, unsecured obligation of the issuer which ranks pari passu with all other unsecured indebtedness of the Issuer.

If this note is lost, stolen, mutilated, defaced or destroyed, it may be replaced on presentation of the Issuer for that purpose at no cost to the claimant. A mutilated or defaced note must be surrendered before a replacement will be issued.

This note is governed by the laws applying in New South Wales, including provisions of the *Bills of Exchange Act 1909* (Cth) in so far as they relate to promissory notes. The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts.

Executed as a deed poll

Date: _____

EXECUTED for and on behalf of **LGI INVESTMENTS 1 PTY LIMITED** ACN 151 765 007 by its attorney under a power of attorney dated 8 July 2011 and the attorney declares that the attorney has not received any notice of the revocation of such power of attorney:

Signature of Attorney

Signature of Witness

Name of Attorney

Name of Witness

SCHEDULE 10
INDICATIVE TIMETABLE

Event	Timetable
Reference Date (RD), being the later of: (a) the date on which the condition in clause 3.1(a)(3) of the Implementation Deed is satisfied or, alternatively, waived by Liberty (in its absolute discretion) in writing in accordance with clause 3.5(d) of the Implementation Deed; and (b) the date on which the parties are satisfied that the condition in clause 3.1(a)(1) of the Implementation Deed has been satisfied.	RD
Scheme Booklet provided to ASIC	RD + 5 Business Days
Last date for Substitution Notice to be given	RD + 7 Business Days
Execution of Deed Poll and Escrow Deed	RD + 16 Business Days
First Court Date ¹	RD + 17 Business Days
Mailing of Scheme Booklet complete	RD + 20 Business Days
FOXTEL External Debt Documents to be executed	RD + 34 Business Days
Execution of AUSTAR Charge or Substitute Security (as applicable)	RD + 39 Business Days
Scheme Meeting	RD + 41 Business Days
EGM	RD + 41 Business Days
Last day for satisfaction of conditions precedent to availability of funding under the FOXTEL External Debt Documents subject to the exceptions in clause 6(b)(ii) of the Restructure and Sale Deed	RD + 42 Business Days
Escrow Funding	RD + 43 Business Days
Second Court Date ²	RD + 44 Business Days
Contribution Date (Completion of Transaction Steps 1, 2 and 3)	RD + 44 Business Days (unless Court Approval given after close of business, in which case it will be RD + 45)
AUSTAR to lodge with ASIC copy of Court order approving Scheme	RD + 45 Business Days
Effective Date, suspension of trading in AUSTAR Shares, drawdown under FOXTEL	RD + 45 Business Days

¹ Subject to Court availability.

² Subject to Court availability.

Funding Agreement	
Scheme Record Date	RD + 50 Business Days
Implementation Date	RD + 52 Business Days
AUSTAR delists from ASX³	RD + 53 Business Days
Latest Transfer Date	RD + 65 Business Days
Conversion	RD + 75 Business Days
Completion	RD + 78 Business Days

³ Subject to ASX discretion.

SCHEDULE 11

FOXTEL WARRANTIES

1. CAPACITY AND AUTHORITY

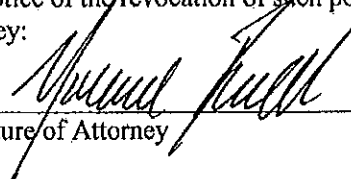
- (a) It has full corporate power and lawful authority to execute, deliver and perform this deed, and the execution and delivery of this deed has been properly authorised by all necessary corporate action of it.
- (b) FOXTEL Management has full corporate power and lawful authority to execute, deliver and perform this deed, and the execution and delivery of this deed has been properly authorised by all necessary corporate action of the FOXTEL Partnership.

2. DEED BINDING

- (a) This deed is a legal, valid and binding obligation of it, enforceable in accordance with its terms against it.
- (b) This deed is a legal, valid and binding obligation of it (in the case of obligations incurred in its personal capacity), enforceable in accordance with its terms against it.

THIS DEED has been executed by the parties (or their duly authorised representatives) on the date stated at the beginning of this deed.


SIGNED SEALED and DELIVERED by **LIBERTY GLOBAL, INC.** by its attorney under a power of attorney dated 8 July 2011 and the attorney declares that the attorney has not received any notice of the revocation of such power of attorney:



Signature of Attorney

Michael Parshall

Name of Attorney

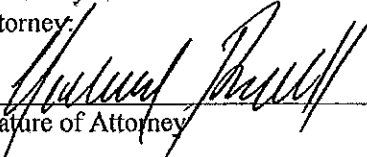


Signature of Witness

Kathryn Marie Thornton

Name of Witness


SIGNED SEALED and DELIVERED on behalf of **UGC AUSTRALIA BV** by **UNITEDGLOBALCOM, INC.** by its attorney under a power of attorney dated 8 July 2011 and the attorney declares that the attorney has not received any notice of the revocation of such power of attorney:



Signature of Attorney

Michael Parshall

Name of Attorney



Signature of Witness

Kathryn Marie Thornton

Name of Witness

EXECUTED as a deed by **AUSTAR UNITED COMMUNICATIONS LIMITED ABN 88 087 695 707** in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of Director

Name of Director

Signature of Director / Company secretary

Name of Director / Company secretary

THIS DEED has been executed by the parties (or their duly authorised representatives) on the date stated at the beginning of this deed.

SIGNED SEALED and DELIVERED by **LIBERTY GLOBAL, INC.** by its attorney under a power of attorney dated 8 July 2011 and the attorney declares that the attorney has not received any notice of the revocation of such power of attorney:

Signature of Attorney

Signature of Witness

Name of Attorney

Name of Witness

SIGNED SEALED and DELIVERED on behalf of **UGC AUSTRALIA BV** by **UNITEDGLOBALCOM, INC.** by its attorney under a power of attorney dated 8 July 2011 and the attorney declares that the attorney has not received any notice of the revocation of such power of attorney:

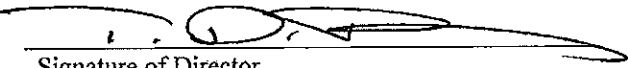
Signature of Attorney

Signature of Witness

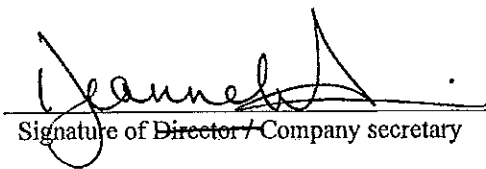
Name of Attorney

Name of Witness

EXECUTED as a deed by **AUSTAR UNITED COMMUNICATIONS LIMITED ABN 88 087 695 707** in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of Director



Signature of Director / Company secretary

Timothy David Downing
Name of Director

Deanne Weir
Name of Director / Company secretary

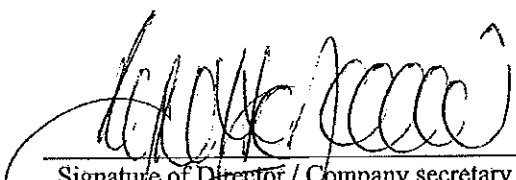
**EXECUTED as a deed by FOXTEL FINANCE
PTY LIMITED ACN 151 691 897** in accordance
with section 127 of the Corporations Act 2001
(Cth):



Signature of Director

Kim Williams

Name of Director

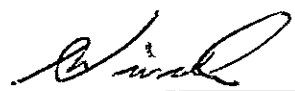


Signature of Director / Company secretary

SIGNED BY -
LYNETTE IRELAND

Name of Director / Company secretary

**EXECUTED as a deed by FOXTEL
AUSTRALIA PTY LIMITED ACN 151 691 753**
in accordance with section 127 of the Corporations
Act 2001 (Cth):



Signature of Director

Kim Williams

Name of Director

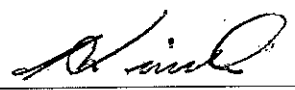


Signature of Director / Company secretary

SIGNED BY -
LYNETTE IRELAND

Name of Director / Company secretary

**EXECUTED as a deed by FOXTEL
MANAGEMENT PTY LIMITED
ACN 068 671 938** in accordance with section 127
of the Corporations Act 2001 (Cth):



Signature of Director

Kim Williams

Name of Director




Signature of Director / Company secretary

SIGNED BY -
LYNETTE IRELAND

Name of Director / Company secretary

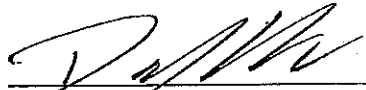
SIGNED, SEALED and DELIVERED as a deed by TELSTRA MEDIA PTY LIMITED ACN 069 279 027 by its attorneys under a power of attorney dated 5 July 2011, and the attorneys declare that they have not received any notice of the revocation of such power of attorney:



Signature of Witness

DAVID CLEE

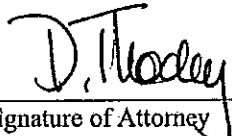
Name of Witness



Signature of Witness

DAVID CLEE

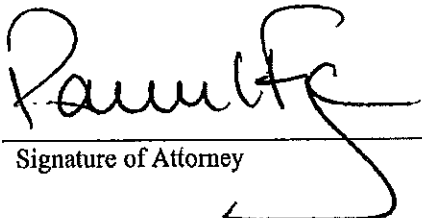
Name of Witness



Signature of Attorney

David Thodey

Name of Attorney

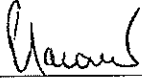


Signature of Attorney

Paul Fegan

Name of Attorney

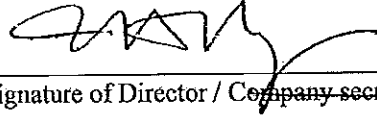
EXECUTED as a deed by SKY CABLE PTY
LIMITED ACN 069 799 640 in accordance with
section 127 of the Corporations Act 2001 (Cth):



Signature of Director

Peter Macovski

Name of Director



Signature of Director / ~~Company secretary~~

Ian Phillips

Name of Director / ~~Company secretary~~

ANNEX 1
BUY BACK DEED

BUY BACK DEED

AUSTAR United Communications Limited

and

LGI Bidco Pty Limited

THIS DEED is made on [●] 2011

BETWEEN:

- (1) **AUSTAR United Communications Limited** (ABN 88 087 695 707) of Level 1, 46-52 Mountain Street, Ultimo, New South Wales 2007, Australia (**AUSTAR**); and
- (2) **LGI Bidco Pty Limited** (ACN 151 767 449) of Level 7, 1 Gold Fields House, 1 Alfred Street, Sydney New South Wales 2000, Australia (**LGI Bidco**); and

BACKGROUND:

- (A) LGI Bidco wishes to sell and AUSTAR wishes to buy-back the Buy Back Shares by way of a selective buy back under section 257B of the Corporations Act on the Transfer Date on the terms set out in this deed.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this deed, the following definitions apply unless the context requires otherwise:

Buy Back Shares means the [583,047,343] fully paid ordinary shares in the capital of AUSTAR owned by LGI Bidco immediately prior to Completion;

Completion means completion of the sale and purchase of the Buy Back Shares in accordance with this deed; and

Liberty Restructure and Sale Deed means the document by the same name entered into between Liberty Global, Inc., UGC Australia BV, AUSTAR, FOXTEL Bidco Pty Limited, FOXTEL Finco Pty Limited, Telstra Media Pty Limited Sky Cable Pty Limited and FOXTEL Management Pty Limited on or about 11 July 2011.

1.2 Application of Liberty Restructure and Sale Deed and Implementation Deed

- (a) Capitalised terms not defined in this deed but which are defined in the Liberty Restructure and Sale Deed will have the meanings given to them in the Liberty Restructure and Sale Deed.
- (b) Clauses 26 (**GST**) and 28 (**Notices**) of the Liberty Restructure and Sale Deed apply in this deed with the necessary changes being made.
- (c) The interpretation provisions in clause 1.2, 1.3, 1.4 and 15 (other than 15.4 (**Notices**)) of the Implementation Deed apply in this deed with the necessary changes being made.

2. SALE AND PURCHASE

2.1 Sale and purchase

Subject to:

- (a) the Scheme being implemented; and
- (b) all AUSTAR Shareholders unanimously passing a resolution at a general meeting, approving the buy back by AUSTAR of AUSTAR Shares held by LGI Bidco for the purposes of section 257D of the Corporations Act,

on the day after the Transfer Date, LGI Bidco must sell and AUSTAR must purchase the Buy Back Shares free from all Encumbrances in consideration for AUSTAR accepting a novation of the FOXTEL Funding Agreement from LGI Bidco.

2.2 Title and risk

Title and risk in the Buy Back Shares remains with LGI Bidco until Completion and passes from LGI Bidco to AUSTAR on Completion.

3. COMPLETION

3.1 LGI Bidco obligations

On Completion, LGI Bidco must deliver to AUSTAR:

- (a) a duly executed transfer in favour of AUSTAR or its nominee(s) of all the Buy Back Shares;
- (b) the share certificate(s) representing the Buy Back Shares.

3.2 AUSTAR's obligations

On Completion, AUSTAR must register the transfer received under clause 3.1(a), and immediately thereafter cancel the Buy Back Shares in accordance with section 257H(3) of the Corporations Act and make all necessary notifications to ASIC.

4. TERMINATION

This deed will terminate only if the Implementation Deed or the Liberty Restructure and Sale Deed is terminated.

THIS DEED has been executed by the parties (or their duly authorised representatives) on the date stated at the beginning of this deed.

**EXECUTED by AUSTAR UNITED
COMMUNICATIONS LIMITED**
ABN 88 087 695 707 in accordance with
section 127 of the Corporations Act 2001 (Cth):

Signature of Director

Signature of Director / Company secretary

Name of Director

Name of Director / Company secretary

EXECUTED by LGI BIDCO PTY LIMITED
ACN 151 767 449 by its attorney under a power of
attorney dated 8 July, and the attorney declares that
it has not received any notice of the revocation of
such power of attorney, in the presence of:

Signature of Attorney

Signature of Witness

Name of Attorney

Name of Witness

