

# **ASTRO MALAYSIA HOLDINGS BERHAD**

(Incorporated in Malaysia - Company No. 201101004392 (932533-V))



## **NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER**

As at 25 March 2021

**Table of Contents**

<b>1. PURPOSE .....</b>	<b>3</b>
<b>2 COMPOSITION.....</b>	<b>4</b>
<b>3 PROCEDURES.....</b>	<b>4</b>
<b>4 DUTIES AND RESPONSIBILITIES .....</b>	<b>5</b>
<b>5 RIGHTS AND POWERS OF THE COMMITTEE .....</b>	<b>8</b>
<b>6 ANNUAL REVIEW OF CHARTER AND PERFORMANCE.....</b>	<b>9</b>
<b>7. CONFIDENTIALITY .....</b>	<b>9</b>

**ASTRO MALAYSIA HOLDINGS BERHAD**  
(Incorporated in Malaysia – Company No. 201101004392 (932533-V))

**NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER**

**1. PURPOSE**

The primary purpose and functions of the Nomination, Remuneration and Corporate Committee ("Committee") are to assist the Board of Directors ("Board") of Astro Malaysia Holdings Berhad ("the Company") in its oversight responsibilities in relation to the Company and its subsidiaries ("Group") in the following matters:-

**1.1 Nomination**

- 1.1.1 Formulation and implementation of a formal and transparent procedure for the selection and appointment of Directors of the Company;
- 1.1.2 Identification of individuals who are qualified for appointment to the Board and the Committees of the Board ("Board Committees");
- 1.1.3 Evaluation of the effectiveness of the Board, Board Committees and its individual directors;
- 1.1.4 Review of the size and composition of the Board and Board Committees to ensure their compositions are optimally balanced to achieve more effective stewardship and management;
- 1.1.5 Review of the appointment and termination of the Group Chief Executive Officer ("GCEO/CEO"), Group Chief Financial Officer ("GCFO/CFO"), Group Chief Operating Officer ("GCOO") and Group Company Secretary;
- 1.1.6 Review and approval of the appointment of the Key Senior Management of the Group (who are direct reports to GCEO/CEO, CEO of subsidiaries, critical positions and other positions as determined by the Committee).

**1.2 Remuneration**

- 1.2.1 Development of the remuneration framework and policies in relation to following positions:-
  - (i) Directors of the Company;
  - (ii) GCEO/CEO, GCFO/CFO and GCOO of the Company; and
  - (iii) Directors of subsidiary companies (other than resident directors and employees);
- 1.2.2 Review of the remuneration of the Directors, GCEO/CEO, GCFO/CFO, GCOO and Directors of subsidiary companies in line with the approved remuneration policies. The remuneration shall be determined by the Board as a whole, after taking into consideration the Committee's recommendation;
- 1.2.3 Review and approval of the remuneration of the Key Senior Management of the Group;
- 1.2.4 Review of any long-term incentive plan for eligible employees and eligible executives of the Group such as share schemes or other equity-based incentive plans.
- 1.2.5 Review of the overall bonus and salary increment proposals for the Group in respect of each financial year.

### **1.3 Corporate Governance**

1.3.1 Review of the corporate governance framework and policies of the Group.

## **2. COMPOSITION**

- 2.1 The Committee shall be appointed by the Board from among its members who are Non-Executive Directors and shall comprise of at least three (3) members, the majority of whom shall be independent directors as defined in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). No alternate director can be appointed as a member of the Committee.
- 2.2 The Chairman of the Committee shall be an Independent Non-Executive Director or the Senior Independent Non-Executive Director.
- 2.3 In the event of any vacancy due to retirement or resignation of a Committee member, or for any other reason which results in a change to the composition of the Committee that does not comply with the composition of the Committee as required herein or set out in the MMRL of Bursa Securities, such vacancy or non-compliance must be filled or rectified within 3 months of the said event.
- 2.4 The Secretary of the Company shall also act as the Secretary of the Committee. In the absence of the Secretary, the Chairman of the meeting may appoint another person to act on behalf of the Secretary for the purpose of the meeting.

## **3. PROCEDURES**

The Committee may regulate its own procedure, including and without limitation to regulate the calling and notice of meetings, quorum and voting.

- 3.1 Except in so far as amended by a unanimous resolution of the Committee, the following rules of procedure shall apply:-
- (a) The Committee shall meet at least two (2) times during each financial year or more frequently as it may determine necessary.
  - (b) The Chairman or Secretary of the Committee on the requisition of the members, shall at any time summon a meeting of the Committee by giving notice of at least five (5) business days or if the consent of all the members are obtained, by shorter notice or waive the notice altogether.
  - (c) The Chairman of the Committee will be responsible for establishing the agenda therefor and supervising the conduct thereof.
  - (d) No business shall be transacted at any meeting of the Committee unless a quorum of two (2) members is present, of which the majority present must be independent directors. In the absence of the Chairman of the Committee, the remaining members present at a meeting shall elect one of their number to chair the meeting.
  - (e) If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting shall be adjourned to such other day, time and place as the members may determine. If at such adjourned meeting, a quorum is not present within fifteen (15) minutes of the time appointed for holding the meeting, the meeting shall be dissolved.

- (f) Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means as may be agreed by the members.
- (g) Only the Chairman and the members are to be present at a meeting of the Committee. Other Directors and officers of the Group can attend a meeting of the Committee at the Committee's invitation.
- (h) The Committee may, at its discretion, request any Directors, officers of the Group or external legal counsel to attend a meeting of the Committee, or to meet with the members of or consultants to, the Committee.
- (i) The Committee should record its deliberations in terms of the issues discussed and the conclusions in discharging its duties and responsibilities. Minutes of the meeting shall be signed by the Chairman and distributed to each member of the Committee and the Board. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company.
- (j) A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.
- (k) All recommendations and findings of the Committee shall be submitted to the Board for approval.

#### **4. DUTIES AND RESPONSIBILITIES**

The Committee shall be responsible for the following:

##### **4.1 Nomination matters**

###### ***Review the appointment and evaluation of the Board and Board Committees***

- 4.1.1 Recommend to the Board the optimum size and composition of the Board and Board Committees, including ensuring that at least one-third (1/3) of the Board is made up of Independent Directors and each Board Committee is comprised of a majority of Independent Directors as prescribed under the MMLR.
- 4.1.2 Develop, maintain and review the Board Selection Criteria to be used in the recruitment process and the parameters for the annual board effectiveness evaluation, including the criteria to assess independence.
- 4.1.3 Formulate a transparent procedure for the proposal of nominees to the Board and Board Committees.
- 4.1.4 Consider and recommend to the Board the suitability of the candidates nominated for appointment to the Board whether to fill a vacancy or as an additional director. In making its assessments and recommendations, the Committee should consider the board diversity and the candidates' competencies, commitment, contribution and performance, including but not limited to the following:
  - (a) proven leadership and experience that provide knowledge of business, financial, governmental or legal matters that are relevant to the Group's business or to its status as a public listed company;

- (b) Character of the individual to ensure there will be a right fit;
- (c) An unblemished reputation for integrity and ability to exercise good business judgement; and
- (d) Ability to dedicate sufficient available time to able to fulfil his or her responsibilities as a member of the Board and of any committees to which he or she may be appointed.

In identifying suitable persons for appointment to the Board, the Committee shall, where appropriate and necessary, rely on sources from existing Directors, major shareholders, the GCEO/CEO, independent search firms and other independent sources.

The following chart depicts the process for appointments to the Board:



- 4.1.5 Consider and recommend to the Board the appointment of Directors to fill the seats on the Board Committees; and for the appointment of Directors to the boards of the subsidiaries of the Company, other than (i) resident nominee directors who are engaged to meet the requirements of the local laws; and (ii) nominee directors who are the employees/officers of the Group.
- 4.1.6 Assist the Board in reviewing on an annual basis the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board as well as to assist the Board in establishing a policy of boardroom diversity, including gender diversity and identifying measures to implement the policy.
- 4.1.7 Carry out the annual evaluation of the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director, including the performance of the Board Committees and the independence of an Independent Director.
- 4.1.8 Establish the formal process for the re-election of Directors who are due for retirement in accordance with the Company's Constitution.
- 4.1.9 Review and recommend to the Board the policies relating to Directors' independence and conflicts of interests, if any, and the steps to be taken to manage potential conflicts of interest.
- 4.1.10 Review the Board balance to ensure that the investments of minority shareholders of the Company are fairly reflected in the Board, where applicable.
- 4.1.11 Develop the Board induction programme for new members of the Board and on a continuing basis, establish the Board's training programme and evaluate its training needs.
- 4.1.12 Formulate a plan to ensure timely succession of the Board and Board Committees.
- 4.1.13 Develop, review and recommend the guidelines relating to the membership and functioning of the Board and any other matters which the Committee deems appropriate.

### ***Review the appointment and termination of Management***

- 4.1.14 Review and recommend to the Board the appointment and termination of the GCEO/CEO, GCFO/CFO, GCOO and Company Secretary.
- 4.1.15 Review and approve the appointment of the Key Senior Management of the Group (who are direct reports to GCEO/CEO, CEO of subsidiaries, critical positions and other positions as determined by the Committee) whether through external recruitment or internal promotion based on the GCEO/CEO's recommendation.
- 4.1.16 The GCEO/CEO, as he deems necessary, may consult the Committee on the appointment of other key and critical positions.
- 4.1.17 Review the succession management plans for the GCEO/CEO, GCFO/CFO, GCOO and Key Senior Management to ensure smooth transitions.
- 4.1.18 Review and recommend to the Board the organisation structure of the Group and succession management plans as well as any key changes thereof.

## **4.2 Remuneration Matters**

### ***Remuneration of Directors and Key Senior Management***

- 4.2.1 The Committee shall in so far as it is in the best interest of the Company, ensure that the Company adheres to the Principles of and Recommendations prescribed under the Malaysian Code on Corporate Governance 2017, as amended or supplemented from time to time. In addition, the Company shall adhere to the relevant provisions of the Companies Act 2016 and the Listing Requirements in respect of directors' remuneration, as amended or supplemented from time to time.
- 4.2.2 Review and recommend to the Board the remuneration framework and policies for the Directors of the Company based on the following key principles – Remuneration should be:
- (i) adequate to attract, motivate and retain world-class non-executive talent;
  - (ii) consistent with recognised best practice standards;
  - (ii) reflect the experience, time commitment, level of responsibilities and complexity shouldered, special assignments and risks; and
  - (iv) aligned with our Group's business strategy and long-term objectives.
- 4.2.3 In relation to the GCEO/CEO, GCFO/CFO and GCOO:-
- (i) Review their performance and recommend to the Board the remuneration package (including but not limited to pay, bonuses, incentives, share awards and benefits, including termination benefits) and the terms of service of the GCEO/CEO, GCFO/CFO and GCOO;
  - (ii) Design and implement an evaluation procedure for the GCEO/CEO, GCFO/CFO and GCOO; and
  - (iii) Evaluate the performance of GCEO/CEO, GCFO/CFO and GCOO on a yearly basis based on the approved Corporate Scorecard and recommend to the Board their remuneration packages, which shall be competitive, performance-based and reflective of contributions to the Group's long term growth and profitability, and in line with corporate objectives and strategy.
- 4.2.4 Review and approve the remuneration packages of the Key Senior Management of the Group (whether through external recruitment or internal promotion based on the GCEO/CEO's recommendation.
- 4.2.5 Recommend to the Board the annual bonus and increment allocations for eligible employees of the Group.

### **Share Schemes**

- 4.2.6 Review proposals for the establishment of incentive-compensation plans, share schemes, equity-based plans that apply to the eligible employees and eligible executives of the Group.
- 4.2.7 Act as the scheme committee for the implementation and administration of the Management Share Scheme 2012 ("MSS 2012") and the Astro Malaysia Holdings Berhad Long Term Incentive Plan ("LTIP") in accordance with the provisions of the respective By-Laws and any amendments to the respective By-Laws that may be approved from time to time including to offer, grant and vest any share awards and/or benefits under the MSS 2012 and LTIP, determine the eligibility of persons entitled to benefit thereunder and the terms and conditions to apply to such awards and/or benefits, amend the respective By-Laws as and when required, formulate guidelines and procedures relating to the administration of the MSS 2012 and LTIP and be empowered to do all such acts and things as necessary or appropriate in relation to the MSS 2012 and LTIP, subject to approval by the Board and/or any regulatory authority (if required).

### **Others**

- 4.2.8 Review and recommend to the Board the Corporate Scorecard for each financial year and review the performance of the Company based on the approved Corporate Scorecard.
- 4.2.9 Ensure adequate disclosures on the Board and senior management remuneration policies, activities undertaken by the Committee and other matters which the Committee deems appropriate, are made in the annual report of the Company.

### **4.3 Corporate Governance**

- 4.3.1 Review and recommend to the Board the compliance with the Malaysian Code on Corporate Governance 2017 and other best practices in corporate governance.
- 4.3.2 Recommend to the Board the Corporate Governance Overview and Corporate Governance Report, which shall include the activities undertaken by the Committee during the financial year, in compliance with the MMLR of Bursa Securities.

### **5. RIGHTS AND POWERS OF THE COMMITTEE**

- 5.1 In general and unless otherwise expressly authorised by the Board, the Committee shall not have delegated powers from the Board to implement its recommendations but is obliged to report its recommendations to the Board for consideration and approval.
- 5.2 The Committee may create subcommittees to perform particular function, either generally or in specific instances.
- 5.3 In carrying out its duties and responsibilities, the Committee shall have:-
- (a) Full, free and unrestricted access to any information, records, property and personnel of the Group;
  - (b) Access to independent professional advice and expertise necessary for the performance of its duties; and
  - (c) Access to the advice and services of the Secretary of the Company.



**6. ANNUAL REVIEW OF CHARTER AND PERFORMANCE**

- 6.1 The Committee shall review and reassess the adequacy of the Committee's charter in light of new best practices and new legal or regulatory requirements, at least annually and recommend the proposed changes to the Board.
- 6.2 Conduct an annual evaluation of the Committee's own performance.

**7. CONFIDENTIALITY**

- 7.1 All papers, resolutions, minutes and deliberations of the Committee are strictly and highly confidential.