

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6399
COMPANY NAME : ASTRO MALAYSIA HOLDINGS BERHAD
FINANCIAL YEAR : January 31, 2019

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<p>(i) The Board of Directors of Astro Malaysia Holdings Berhad ("Board") is collectively responsible for overseeing the management and business affairs of our Group, including making the major policy decisions. In order to discharge their responsibilities, our Board has established the Governance Framework which lays down our governance structures and processes. Our Board, through the Nomination and Corporate Governance Committee, reviews the overall Governance Framework annually to ensure that our governance structures and processes are applied in the best interests of our Group.</p> <p>(ii) The Board Charter sets out, inter alia, the roles, responsibilities and authorities of our Board, Board Committees and Senior Leadership. Our Board is supported by four Board Committees namely, the Audit and Risk Committee ("ARC"), Nomination and Corporate Governance Committee ("NCGC"), Remuneration Committee ("RC") and Strategy and Business Transformation Committee ("SBTC") within the scope of responsibilities as set out in their respective Charters. The SBTC was established by our Board in March 2019, after an assessment by our Board with the objectives of enhancing oversight of key transformation plans, and to guide Senior Leadership towards the achievement of our Group's strategic objectives. Our Board Charter and Board Committee Charters are accessible on our corporate website at https://corporate.astro.com.my/corporate-governance</p> <p>(iii) Our Governance Framework lays down the structure, processes and authority that govern how our businesses are directed, managed and controlled. This includes compliance with applicable laws and regulations, our Constitution as well as adherence to a good corporate governance ("CG") practices. Our Board's role and responsibilities, and the delegation of</p>

	<p>powers to our Board Committees and Chief Executive Officer (“CEO”) are clearly delineated, including the limits of authority/decision-making delegated by our Board to our CEO which is subject always to a list of matters reserved for our Board.</p> <p>(iv) Our Group’s key values, principles and ethos are outlined in our Board Charter to guide dealings with all our stakeholders. The key guiding principles that have been adopted by our Board are Fairness, Transparency, Accountability and Responsibility.</p> <p>(v) Our Board acknowledges that it is accountable to our shareholders for our Group’s performance and its fundamental approach in this regard is to ensure that the right executive leadership, strategy and internal controls for risk management are in place.</p> <p>(vi) Setting the overall strategic direction of our Group is one of six principal responsibilities adopted by our Board. Our Board, endorsed a shorter three-year planning cycle (instead of a five-year planning cycle previously), thus facilitating a more focused and iterative response to dynamic external forces in a rapidly changing media industry. Detailed updates on the material developments in financial year ended 31 January 2019 (“FY2019”) and an overview of our Group’s key strategic priorities in the next three years are outlined in the CG Overview section of our Integrated Annual Report 2019.</p> <p>(vii) Our Board, CEO and Senior Leadership participated at in a two-day offsite planning session in October 2018 to re-assess the overall strategic priorities and business plan over the next three years in respect of the financial year (“FY”) ending 31 January 2020 to FY2022. At this session, our Board reviewed the strategic plans and options presented by our Senior Leadership. Based on our Board’s guidance and takeaways from the offsite session, our Group strategic priorities and business plan were refined by Senior Leadership, and approval-in principle was granted by our Board for our Group’s three-year Strategic Plan (“Strategic Plan”) for FY2020 to FY2022 as well as for our Group Annual Operating Budget (“Budget”) for FY2020.</p> <p>(viii) Upon approval of our Strategic Plan and Budget, the implementation and progress of the key strategies are monitored by our Board. Our Senior Leadership prepares and furnishes a monthly transformation report and regular updates are provided at each Board meeting. The agenda of our quarterly Board meetings focus on a review of strategic, operational and financial performance against Budget and includes, inter alia, material updates on the market outlook and its impact on our strategies and the monitoring of</p>
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	<p>investments. The Chairman of the respective Board Committees will also update our Board on their deliberations, key findings and recommendations on matters within their purview. Our CEO and Senior Leadership attended all our Board meetings to debrief our Board and sought guidance and/or approval, where required.</p> <p>(ix) Our Board approved the FY2019 Company Scorecard which set out the key performance indicators (“KPIs”) and targets for FY2019. The Scorecard, which was reviewed by our RC, carries an appropriate and balanced weightage to financial KPIs relating to revenue, profit and cash, and non-financial KPIs which include key operating metrics for our core businesses as well as people metrics. The achievements against the Company Scorecard will then determine the overall bonus and increment payable to our Group’s employees, including our CEO.</p> <p>(x) During FY2019, our Board, based on the recommendation of our ARC, adopted our Group risk appetite and risk tolerance thresholds for more effective decision-making. Risk appetite is the amount of risk that our Group is willing to accept in the pursuit of our Group objectives, while risk tolerance is the acceptable risk tolerance for each risk appetite established.</p> <p>(xi) During FY2019, our Risk Management team reporting to our Chief Financial Officer (“CFO”) presented to our ARC, our Group key risk profile and risk mitigation strategies for each key business area at each quarterly ARC meeting.</p> <p>(xii) Board decisions were reached either at a properly convened Board meeting or via written resolutions prepared by our Company Secretary. A quorum of two Directors is sufficient for Board meetings to be convened and decisions are reached by a majority of Directors assenting to the resolution. On the other hand, approval via written resolutions must be signed by all Directors in accordance with Rule 148 of our Constitution.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>(i) The Chairman of our Board is Tun Dato' Seri Zaki bin Tun Azmi ("TZA"), an independent non-executive director ("INED"). Our Board believes that having an independent Chairman enables a more effective and independent oversight of the Senior Leadership. Our Board Charter formally sets out our Chairman's role and responsibilities.</p> <p>(ii) Our Board Chairman is responsible for, inter alia, providing overall leadership to our Board, instilling good CG practices, presiding over Board and shareholders' meetings and ensuring that all Directors are enabled and encouraged to play their full part in Board activities. This includes ensuring that Directors receive timely, relevant information and are properly briefed on issues arising at meetings. Our Chairman reviews the agenda for Board meetings to ensure that important matters are addressed, sufficient time is allocated for discussions and the meetings run smoothly. He is also responsible to ensure that newly appointed Directors are aware of their responsibilities and our Group's state of business affairs through a tailored induction programme. New Directors were given an overview of our Strategic Plan and key priorities for the current financial year.</p> <p>(iii) In addition to chairing our Board, TZA also chairs our NCGC, which is responsible for assisting our Board, inter alia, in the development and monitoring of our Group's CG framework and practices.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied	
Explanation on application of the practice	:	(i)	During FY2019, our Board Chairman and CEO positions are separated and held by different individuals.
		(ii)	The role and responsibilities of our Board Chairman and CEO are formally documented in our Board Charter. The separation of roles ensures there is a balance of power and authority in accordance with good CG practices.
		(iii)	Our Board Chairman is primarily responsible for ensuring our Board's effectiveness and conduct whilst our CEO has overall responsibility over the business units and day-to-day management of our Group.
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>(i) Our Board is supported by a Company Secretary with legal qualifications and has over 20 years' experience in the corporate secretarial field. Liew Wei Yee Sharon is a licensed secretary approved by the Companies Commission of Malaysia.</p> <p>(ii) Her roles and responsibilities include:-</p> <p>(a) Advising our Board and Senior Leadership on compliance with the Main Market Listing Requirements ("MMLR"), Companies Act 2016 ("Act") and the relevant law and regulations as well as on CG best practices;</p> <p>(b) Efficient administration of our Group entities, particularly with regards to compliance with Constitution as well as statutory and regulatory requirements;</p> <p>(c) Organising our Board, Board Committees and shareholders' meetings, and preparing the Minutes of Meetings and written resolutions;</p> <p>(d) Monitoring compliance with our Board processes and procedures;</p> <p>(e) Acting as the conduit between our Board members and Senior Leadership to ensure proper communication; and</p> <p>(f) Conducting induction programmes for new Board members and ensuring that a continuing education programme is in place for all Board members.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> <li data-bbox="544 658 1406 1003">(i) Board meetings are held on a quarterly basis and more often, where required. Our Board and Board Committee meetings, which typically span two days, are organised by our Company Secretary. In addition, pre-Board and pre-ARC meetings with the Board Chairman and ARC Chairman usually take place in advance of the actual meetings for early discussions and guidance to Senior Leadership. In addition, our ARC holds private discussions with the external auditors and/or our Vice President, Corporate Assurance (“CA”) on a regular basis. <li data-bbox="544 1003 1406 1227">(ii) Our Board Chairman or Board Committee Chairpersons (as the case may be) reviewed the proposed agenda for each Board or Board Committee meetings, and provided their input to ensure that the necessary and important matters would be addressed at the meetings. <li data-bbox="544 1227 1406 1451">(iii) Notice of our Board and Board Committee meetings were issued at least five business days prior to the meeting. Our Company Secretary notified our Senior Leadership of the agenda items and requested that proposals be submitted within the circulation deadline. <li data-bbox="544 1451 1406 1809">(iv) Meeting materials were reviewed and endorsed by our CEO and/or CFO prior to circulation to ensure that they contain comprehensive and accurate information which is required for informed decision-making by our Board or Board Committees. Our CEO, CFO and other Senior Leadership attended our Board and Board Committee meetings and briefed our Board on the agenda items and sought Board approvals for matters beyond our Senior Leadership’s Limits of Authority (“LOA”) or in respect of matters reserved for our Board. <li data-bbox="544 1809 1406 2018">(v) The meeting materials were circulated by the Company Secretary via electronic means (or upon request, hard copy), which has enabled immediate access and provided additional time for reading and preparation. The use of an e-paper tool has also enhanced control over the circulation of confidential information and provided ease of access to archived materials.

	<p>(vi) The Minutes of our Board and Board Committee Meetings were taken by our Company Secretary, setting out the key issues, deliberations and decisions, including dissenting vote and abstention, if any. Our Company Secretary acts as the secretary of our Board and Board Committees. Upon conclusion of a meeting, a summary of the decisions and action items were communicated within three working days, and the draft Minutes were subsequently circulated for comments and tabled for confirmation at the next Board or Board Committee meeting. Our Company Secretary would obtain the status updates to the matters arising from previous meetings for tabling at the next Board or Board Committee Meeting for further discussions. Such matters arising were assigned to key personnel and would be tracked closely until they were completed.</p> <p>(vii) In respect of Board Committees, the Minutes of such meetings would be tabled for our Board’s notation at the quarterly Board Meetings. This is in addition to the summary presented by the respective Chairman of our Board Committees.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>(i) Our Board Charter sets out the manner in which our Board's powers and responsibilities would be exercised and discharged, having regard to our Company's Constitution, the Act, MMLR issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and other applicable laws and CG best practices.</p> <p>(ii) The six principal responsibilities of our Board are formally documented in our Board Charter. The Board Charter has laid down the relationship and interaction between our Board, Board Committees, individual Directors, CEO and Senior Leadership.</p> <p>(iii) A list of Board reserved matters i.e. matters which require our Board's approval has been adopted and is reviewed when necessary. The Board reserved matters include, inter alia, the approval of strategic plans and budget, unaudited quarterly financial results and audited financial statements, investments, appointment of CEO and CFO and related party transactions. Material amendments to the Board reserved matters are subject to our Board's approval.</p> <p>(iv) Our Board has delegated specific powers to our ARC, NCGC, RC and SBTC in accordance with the said Committees' Charters. Our Board Charter and Board Committees' Charters are periodically reviewed and have been published on our Company's website. In addition, the Reports of our ARC, NCGC and RC for FY2019 are on pages 84 to 94 of our Integrated Annual Report 2019.</p> <p>(v) Powers for the day to day management of our Group have been delegated to our CEO within the approved LOA. The LOA outlines the decision-making authority of our CEO and the delegation of authority by our CEO to our Senior Leadership on various areas, inter alia, operational and capital expenditure, execution of contracts, procurement, litigation and human resources matters up to a certain monetary threshold. Any commitments outside the LOA are subject to our Board's approval including changes to</p>

	<p>the LOA. The LOA is reviewed by our Finance team on a regular basis.</p> <p>(vi) Our Group organisation structure is organised based on our core businesses and key functions such as technology, finance and sales, with clear accountability and reporting line.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> (i) Our Group's Code of Business Ethics ("COBE") outlines the principles and best practices to be applied by our Group when conducting our business including managing conflicts of interests, preventing the abuse of power, corruption and insider trading. The COBE is published on our Company's website. (ii) The COBE regulates, amongst others, the use of company information, assets and intellectual property rights by our employees. It has, inter alia, set out the guiding principles relating to the giving and receiving of business courtesies and situations of conflicts of interest. (iii) The COBE is reviewed periodically and all employees of our Group were required to affirm their acceptance and understanding of the COBE via an online learning, assessment and certification programme annually. In FY2019, 95% of our employees (inclusive of contract staff) had completed the assessment. (iv) The Corporate Assurance Division ("CA") is responsible for reviewing and monitoring compliance to the COBE as part of its ongoing reviews, and report its findings to our ARC annually.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>(i) As part of our Group’s commitment to effective risk management and high standards of governance and accountability, our Board has established the Whistleblowing Policy and Procedures (“WPP”) to enable whistleblowers to raise concerns in confidence and to ensure that appropriate and independent investigation is conducted, and follow-up action is taken and brought to the attention of our ARC.</p> <p>(ii) The Whistleblowing Line is managed by the Vice President, CA who reports directly to our ARC. A whistleblower may via the Whistleblowing Line, disclose or report suspicious transactions, activities or processes to the Vice President, CA.</p> <p>(iii) The WPP was periodically reviewed by our ARC to ensure its effectiveness. In the event a disclosure relates to our ARC Chairman or Vice President, CA, the matter would be escalated to our Board Chairman and/or CEO.</p> <p>(iv) During FY2019, our ARC reviewed the reports by CA on cases reported through the Whistleblowing Line on a quarterly basis, as well as the status of investigation (if applicable) into such cases.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.1

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority of independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>(i) During FY2019, our Board comprised eight Directors, of whom four or 50% are INEDs, thus meeting the recommendation for at least half of the Board to comprise INEDs.</p> <p>Our Board composition was refreshed post FY2019 following the resignation of Datuk Rohana Rozhan (“DRR”) as Executive Director/Group Chief Executive Officer (“ED/GCEO”) on 31 January 2019 and the appointment of Tunku Alizakri bin Raja Muhammad Alias and Puan Mazita binti Mokty (“MM”) as additional Non-Independent Non-Executive Directors (“NINED”) on 15 February 2019. Our Board currently comprises nine Directors, of whom four or 44% are INEDs.</p> <p>(ii) Notwithstanding the departure from Practice 4.1, our NINEDs are aware that as Directors, they owe fiduciary duties to our Company under the Act and are required to act in our Company’s best interests. Pursuant to Section 213 of the Act, a director who was appointed by or as a representative of a shareholder, shall act in the best interest of the Company and in the event of any conflict between his duty to act in the best interest of the Company and his duty to his nominator, he shall not subordinate his duty to act in the best interest of the Company to his nominator.</p> <p>(iii) Our Board carried out an evaluation of our Directors’ performance for FY2019 through self and peer evaluation. The findings indicated that they have performed their roles and responsibilities as Directors satisfactorily.</p> <p>(iv) Our Company has put in place processes to ensure that any Director who is interested in a matter has to abstain from deliberating and voting on such resolution. NINEDs were required to physically leave the meeting room in respect of discussions on any matters affecting the interests of their nominator to ensure that the non-interested Directors could deliberate freely and decide on such matters in their absence, thus ensuring that our</p>

	Board's decisions are made objectively in the best interest of our Group.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Our Board is committed to meeting the CG best practices and will endeavour to apply the best practices where they are relevant to our circumstances and are in the best interests of our Group.
Timeframe	:	Others

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:	As above	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	As per 4.2 above.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Application	: Applied
Explanation on application of the practice	<p><u>Board Appointments</u></p> <p>(i) Our Board Selection Criteria takes into consideration the individual candidate's competencies, commitment (including time commitment), contribution and performance, including:</p> <ul style="list-style-type: none">(a) proven leadership and experience in areas that are relevant to our Group's strategies and business plan;(b) character of the individual to ensure a right fit;(c) ability to dedicate sufficient time to discharge his responsibilities; and(d) unblemished reputation for integrity and ability to exercise good business judgement. <p>(ii) Independence and diversity including gender, are key factors that our NCGC and Board take into consideration in assessing the suitability of a candidate to be appointed to our Board. The balance of gender, tenure and skills and experience of our Board members is set out in the CG Overview section on pages 71 to 83 of our Integrated Annual Report 2019.</p> <p>(iii) It is the responsibility of our NCGC to assess and recommend to our Board the suitability of candidates who are nominated for appointment to our Board/Board Committees. Our NCGC will consider amongst others, the Board Skills Matrix which maps the age, gender, skills, experience and broad leadership of our existing Directors and the desired attributes and competencies to meet the evolving needs of our Group as well as any gaps identified from the annual board evaluation exercise.</p> <p>(iv) Meetings were arranged for our Directors to meet the proposed Board candidate and background reference checks were carried out as part of the assessment process, where required.</p> <p><u>Senior Leadership Appointments</u></p> <p>(i) Our NCGC and Board regularly review the Group organisation structure to ensure that all key and critical positions are in place to provide leadership towards the achievement of our corporate goals and objectives.</p>

	<p>(ii) Senior Leadership appointments are closely scrutinised and decisions are made based on objective criteria, merit and with due regard for diversity in skills, education, experience and gender. Psychometric testing is also conducted on senior appointments to provide additional qualitative input.</p> <p>(iii) The appointment of our Group’s CEO and CFO were reviewed and recommended by our NCGC for Board approval. Our NCGC conducted interviews and background reference checks on the candidates as part of the screening process.</p> <p>(iv) During FY2019, our NCGC and Board reviewed changes to our Group organisation structure and the recommendations by our CEO and Senior Vice President, Human Capital Division to fill certain Senior Leadership vacancies. Where appropriate, interviews by our Directors were arranged.</p> <p>(v) In relation to gender diversity, 49% of our employees are female and 43% of Senior Leadership roles are held by women in FY2019, thus exceeding the Asia Pacific average of 23% (Grant Thornton International Ltd (2018) - Women in Business: Beyond Policy to Progress and 28% in all listed companies in Bursa Securities).</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>(i) During FY2019, our Board comprised eight Directors, of whom two or 25% are women directors. Following changes to our Board composition on 15 February 2019, there are two women directors on our Board representing 22% of the total Board composition.</p> <p>(iii) In respect of a policy on gender diversity, our Board has recognised that diversity in terms of a broad range of skills and competencies, experience, background and gender, is important to ensure a balanced and effective decision-making. Independence and gender diversity are part of our Board Selection Criteria for the appointment of new Directors. Other selection criteria have been disclosed under Practice 4.4 (Board Appointments). Therefore, appointments to our Board would be based on merit and contribution to the overall working of our Board.</p> <p>(iii) The two women directors who are currently serving on our Board are Datuk Yvonne Chia ("DYC") and Puan Mazita binti Mokty ("MM"), whose profiles are set out respectively on pages 60 and 63 of our Integrated Annual Report 2019. DYC is our Senior INED and Chairman of our RC. She is also a member of our ARC and NCGC. MM is a lawyer by profession and has over 20 years' experience in the legal and regulatory fields. Both women are therefore highly respected by their peers, possess strong leadership traits and their insights are respected and given equal and proper consideration by the other members of our Board and Senior Leadership.</p>

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:	Our Board is committed to meeting CG best practices and will endeavour to apply the best practices where they are relevant to our circumstances and in the best interests of our Group.	
Timeframe	:	Others	Please specify number of years.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

Application	:	Applied	
Explanation on application of the practice	:	Our NCGC and Board, in identifying candidates for appointment as Directors, rely on various sources including recommendations from our existing Directors, major shareholders and a wide network of industry contacts. Our Board will refer to independent sources such as recruitment agencies, where the circumstances require.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.7

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	Our NCGC is chaired by TZA, who is an INED.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none">(i) Our Board undertakes a formal and objective evaluation to determine the effectiveness of our Board as a whole, our Board Committees and individual Directors on an annual basis. Such evaluation includes an assessment of the independence of our INEDs.(ii) The Annual Board Effectiveness Evaluation (“BEE”) is a tool to help identify our Board, Board Committees and individual Director’s strengths and weaknesses, apart from being a measurement of past performance.(iii) The BEE is an annual process that is facilitated by our NCGC with the assistance of our Company Secretary. The evaluation is carried out through questionnaires with self and peer assessment, as well as feedback from Senior Leadership.(iv) Our Board through our NCGC periodically engages an external facilitator to conduct the evaluation to provide additional recommendations and benchmarks to enhance our Board’s performance and practices. The most recent evaluation by an external facilitator was conducted in January 2017.(v) The parameters used in the BEE FY2019 are set out in the CG Overview section on page 74 of our Integrated Annual Report 2019. The overall results would be shared by our Company Secretary to our NCGC and Board annually, including the feedback from Directors and Senior Leadership. Key strengths and weaknesses would be highlighted for discussions and actions plans would be identified, where necessary. Each Director would also be furnished with a summary of his individual scoring and strengths and weaknesses. A summary of our NCGC’s activities in FY2019 is set out in the Report of our NCGC on pages 85 to 86 of our Integrated Annual Report 2019.

	<p>(vi) Based on the BEE FY2019, no significant weaknesses were identified as our Board as a collective unit, each Board Committee and every Director met the satisfactory threshold. Our INEDs have met the independence criteria set out in the MMLR and have provided their annual declaration of independence to our Company.</p> <p>(vii) Our Board has taken guidance from the findings and will place additional emphasis on several areas noted by our Directors such as a closer monitoring of execution plans, Senior Leadership succession and risk management.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>: NA</p>
<p>Timeframe</p>	<p>: NA</p>

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

Application	: Applied
Explanation on application of the practice	: <u><i>Directors' Remuneration Policies and Procedures</i></u> (i) Our RC has been entrusted with the responsibility of reviewing the remuneration policies of our Directors and Senior Leadership as set out in the RC Charter, which is accessible on https://corporate.astro.com.my/corporate-governance (ii) It is our Company's policy that non-executive directors' ("NEDs") remuneration should be adequate to attract, retain and motivate individuals of the necessary calibre, expertise and experience to join our Board. (iii) Our NEDs' remuneration adheres to a schedule of fixed rates which has taken into consideration their responsibilities on our Board and Board Committees. Our NEDs' remuneration rates were approved by our shareholders at our Sixth Annual General Meeting ("AGM") on 7 June 2018. The rates were reviewed by an independent consultant who had benchmarked such rates with our industry peers. (iv) In determining our NEDs' remuneration, the factors that were taken into consideration by our RC and Board included the required experience, time commitment, level of responsibilities and complexity of roles and responsibilities shouldered, special assignments (if any) and risks assumed as a Director. (iv) In addition to fixed fees for membership of our Board and Board Committees (except SBTC where no fees are currently payable), our Directors were reimbursed for expenses which were reasonably incurred by them in the course of discharging their duties. They were also paid a fixed meeting allowance on a per-day basis for attending Board, Board Committees and

	<p>shareholders' meetings, including pre-Board/Board Committee meetings.</p> <p>(v) In accordance with CG best practices, our NEDs are not entitled to participate in our Management Share Scheme. In addition, DRR, our then ED/GCEO was not entitled to any Director's fees.</p> <p>(vi) Approval from our Company's shareholders was obtained for the payment of our NEDs' remuneration on a monthly basis and/or as and when they were incurred at the Sixth AGM held 7 June 2018. The total utilisation is expected to be approximately 86% of the approved mandate of RM3.54 million. In respect of actual Directors' remuneration for FY2019, the detailed remuneration paid to our NEDs and DRR, our then ED/GCEO have been disclosed on a named basis in the CG Overview section on pages 80 to 81 of our Integrated Annual Report 2019. Total Directors' fees and benefits incurred in FY2019 amounted to approximately RM2.43 million. Please refer to pages 71 to 83 of the CG Overview section in our Integrated Annual Report 2019 and Note 8, page 214 of our Company's Audited Financial Statements for FY2019.</p> <p>(vii) As required by the Act and MMLR, our Board will be seeking our shareholders' approval for the payment of NEDs' remuneration on a monthly basis and/or as and when incurred for the period commencing the day after the forthcoming Seventh AGM on 27 June 2019 up to the date of our next AGM in 2020 ("Relevant Period") based on the remuneration rates as set out in the Explanatory Notes to the Notice of Seventh AGM on pages 325 to 326 of our Integrated Annual Report 2019.</p> <p>(viii) Our RC and Board have reviewed and determined that the current remuneration rates for our NEDs are reasonable and competitive, and hence did not recommend any changes to the rates. Our total NEDs' remuneration for the Relevant Period is expected to remain unchanged at approximately RM3.54 million after taking into consideration the potential size of our Board, Board Committees and the frequency of meetings.</p> <p><u><i>Senior Leaderships' Remuneration Policies and Procedures</i></u></p> <p>(i) Our Group's policy in the selection and appointment of Senior Leadership takes into account various factors such as skill sets, education level, breadth of experience, level of accountability and complexity of job responsibility, that may contribute towards the discharge of their respective duties.</p> <p>(ii) Senior Leadership remuneration typically comprises a fixed monthly basic salary, travel allowance and discretionary annual cash performance bonus. Eligible employees have the opportunity to participate in the Management Share Scheme, whereby share awards in the form of Restricted Share Units ("RSUs") and</p>
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	<p>Performance Share Units (“PSUs”) may be granted to them subject to the Bye-laws governing the said scheme. The vesting of the RSUs and PSUs are subject to our Company and the individual meeting the performance targets set by our Board. A new scheme is currently in design.</p> <p>(iii) Senior Leadership performance for FY2019 was evaluated by our CEO and reviewed by our RC and Board.</p> <p>(iv) Our Board, based on our RC’s recommendation, reviewed and approved the merit increment and performance bonus proposal for eligible employees of our Group for FY2019 after an assessment of our Group’s performance which was measured by the FY2019 Company Scorecard and various factors such as inflationary rate and industry practice. In addition, our RC and Board also reviewed the performance of DRR, our then ED/GCEO for FY2019 and determined her remuneration based on the said Company Scorecard.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>(i) Our RC comprises all NEDs, a majority of whom is independent. Our RC's Charter was revised in March 2019 to ensure alignment with the MMLR and guidance issued by Bursa Securities, a copy of which has been published on our Company's website.</p> <p>(ii) The primary purpose and functions of our RC are to assist our Board in reviewing matters relating to the remuneration of our NEDs and CEO, as well as oversight over Senior Leadership remuneration. This includes the grant and vesting of share awards under our Management Share Scheme, the merit increment and performance bonus proposal for eligible employees for each financial year and our CEO's remuneration.</p> <p>(iii) A summary of our RC's activities in FY2019 is set out in the Report of our RC on page 84 of our Integrated Annual Report 2019.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied	
Explanation on application of the practice	:	A detailed breakdown of the remuneration paid in FY2019 to our NEDs on a named basis and DRR, our then ED/GCEO has been disclosed on pages 80 and 81 of our Integrated Annual Report 2019.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>(i) Our Board is satisfied that our Senior Leadership's remuneration commensurates with individual and company performance; and that the total compensation for the top five key Senior Leadership as a percentage of total revenue is appropriate.</p> <p>(ii) Disclosing Senior Leadership remuneration would be disadvantageous to our Group, given the competitiveness in the market for talent and due to the confidentiality of remuneration packages.</p> <p>(iii) Remuneration packages for Senior Leadership factor in each individual candidate's experience and skills, scope of responsibility and accountability, and global exposure. Our Group's remuneration framework goes through a robust benchmarking exercise to ensure balance between parity and competitiveness and in some cases, the uniqueness of subject matter experts.</p> <p>(iv) Our Group's performance management system holds the relevant Senior Leadership accountable for their respective roles and performance.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Our Board will continue to evaluate the implications and will make the necessary disclosures if satisfied that it is in the best interest of our Group to do so.
Timeframe	:	Others

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Our Board will continue to evaluate the implications and will make the necessary disclosures if satisfied that it is in the best interest of our Group to do so.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of our ARC, Mr. Renzo Christopher Viegas is not the Chairman of our Board. Our ARC Chairman's profile is set out on page 61 of our Integrated Annual Report 2019 and on our Company's website.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.2

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	Our Board has not appointed any former audit partner as a member of our Board. Our ARC Charter stipulates that a former key audit partner shall not be appointed as a member of our ARC until the expiry of a cooling-off period of at least two years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>(i) Our ARC conducted an annual assessment of the effectiveness of PricewaterhouseCoopers PLT ("PwC") for FY2019, with the assistance of our Company Secretary. The annual assessment covered the following scope:</p> <ul style="list-style-type: none">(a) independence, objectivity and professional skepticism(b) financial stability, risk profiles and audit strategy(c) communication and interaction(d) finalisation of audit(e) level of knowledge, capabilities and experience of audit team and sufficiency of resources <p>(ii) The evaluation for FY2019 was carried out through a questionnaire which was completed by our ARC, Senior Leadership and Vice President, CA as well as a self-assessment by PwC.</p> <p>(iii) In relation to the independence of the External Auditor, a written assurance of independence would be obtained annually. In respect of FY2019, PwC has affirmed its independence as set out in the External Auditor's Report on page 153 of our Integrated Annual Report 2019.</p> <p>(iv) Based on the findings of the External Auditor's assessment for FY2019 and our ARC's recommendation, our Board has recommended that PwC be re-appointed as Auditors of our Company at the Seventh AGM on 27 June 2019.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<ul style="list-style-type: none">(i) Our ARC has comprised solely of INEDs since 1 April 2017, including our ARC Chairman.(ii) Our ARC Chairman tables a report of our ARC's deliberations and recommendations for our Board's consideration at each quarterly Board Meeting on matters within the ARC Charter, including the quarterly unaudited financial results before they are released publicly, internal control and risk matters and related party transactions. Our ARC has also, on an annual basis, reviewed and recommended our Company's annual financial statements to our Board for approval. The Report of our ARC is on pages 87 to 94 of our Integrated Annual Report 2019.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	(i) The Chairman and members of our ARC possess the necessary qualifications/experience to discharge their duties and they are financially literate. Their profiles are disclosed on pages 60 to 61 of our Integrated Annual Report 2019 and on our Company's website. (ii) The effectiveness of our ARC is evaluated as part of the annual BEE and based on the findings of the BEE FY2019, our Board is satisfied that the ARC has carried out its responsibilities in accordance with its Charter in FY2019. A summary of our ARC's activities in FY2019 is in the Report of our ARC on pages 87 to 94 of our Integrated Annual Report 2019. (iii) To keep abreast of relevant developments in accounting and auditing standards, our ARC members attended various trainings which have been disclosed in the CG Overview section on pages 78 to 79 of our Integrated Annual Report 2019. In addition, our ARC was briefed by our External Auditor on key changes in accounting standards, practices and rules. Thoughtful Leadership articles were regularly furnished to our ARC Members.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.1

The board should establish an effective risk management and internal control framework.

Application	: Applied
Explanation on application of the practice	<ul style="list-style-type: none"> <li data-bbox="555 696 1407 846">(i) Our Board has established an effective risk management and internal control framework. Our Board is supported by our ARC, which has oversight of the risk management and internal control systems of our Group. <li data-bbox="555 875 1407 1160">(ii) The Group Risk Management Framework (“GRMF”) is established based on the Committee of Sponsoring Organisation (“COSO”) Enterprise Risk Management Framework – Integrating with Strategy and Performance which sets out the risk management governance, infrastructure, processes and control responsibilities and underpins our Group Risk Management Policy which established minimum standards and procedures in ensuring the GRMF is consistently applied and complied with. <li data-bbox="555 1189 1407 1301">(iii) The GRMF provides guidance for a systematic approach to identify, assess, respond, monitor and report risk that is consistently applied throughout our Group. <li data-bbox="555 1330 1407 1659">(iv) Our Senior Leadership is committed to the identification, monitoring and management of risks associated with its business activities. Our CEO and CFO are supported by our Senior Leadership to assess, review, implement and monitor controls to effectively manage risks within their business. Senior Leadership also works closely with the Group Risk Management to ensure effective and consistent adoption of risk management practices. Risk Champions are appointed by the head of business units to review and update the respective key risk profiles. <li data-bbox="555 1688 1407 1800">(v) The Group Risk Management Department is led by our CFO ensures the establishment and maintenance of the framework and proactively monitors our Group Key Risk Profiles. <li data-bbox="555 1830 1407 1942">(vi) Our ARC is also supported by CA which provides independent validation of the risk management, control and governance process of our Group.

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The salient features of our Group Risk Management Framework and internal control are disclosed in the Statement on Risk Management and Internal Control of our Integrated Annual Report 2019 and comprises:</p> <ol style="list-style-type: none"><u>Group Risk Management Framework (“GRMF”)</u> The GRMF provides guidance for a systematic and consistent approach to identify, assess, implement, monitor and report of risk throughout our Group. Key risks reflecting the evolution of the industry and market environment in which our Group operates are regularly identified, assessed and managed to an acceptable level within our Group's risk appetite. Our Board through ARC is responsible for determining our Group's risk appetite and risk tolerance for Senior Leadership to operate within. Our risk governance structure which governs the risk management and control processes is a top-down approach, which depicts the key relevant parties from our Board and ARC, to our Senior Leadership followed by our Group Risk Management team and Risk Champions.<u>Control Activities</u> Our Board and Senior Leadership are also committed in maintaining an effective internal control environment to ensure controls are relevant, effective and robust to promote operational agility. The key controls include the following but not limited to:<ol style="list-style-type: none">LOA which stipulates the key decision-making and approval authority delegated by our Board to Senior Leadership;Key Controls Checklists to facilitate control self-assessment by heads of business units to ensure internal controls in place are effective and complied with;

	<p>(c) COBE designed to reduce, if not eradicate, any corrupt practices and occurrences of bribery;</p> <p>(d) continuous enhancement of our security framework on our physical and cyber security management practises to ensure all security threats is managed effectively;</p> <p>(e) operating policies and procedures to ensure processes adequately mitigate risk with appropriate internal controls;</p> <p>(f) Business Continuity Management Framework to minimise the impact of business disruption through enhancing operational resiliency for an effective response to threats and disruptions;</p> <p>(g) insurance programme to safeguard our assets against material losses arising from any uncertainties; and</p> <p>(h) Group key risk profile is deliberated by our Senior Leadership to ensure overall risk impacting our Group are adequately identified and managed within an acceptable level of risk.</p> <p>3. <u>Information and Communication</u> Our Board continuously emphasises communication with all employees in carrying out their internal control responsibilities. Regular reviews are conducted to ensure risk profiles, policies and procedures are updated and aligned.</p> <p>Additionally, our Group policies are published and updated on our internal portal for easy access by employees.</p> <p>4. <u>Monitoring and Reporting</u> Our Board and Senior Leadership continuously assess the effectiveness of monitoring activities and take necessary measures to strengthen our risk management and internal control environment.</p> <p>The Risk Management team reports to our Board on a quarterly basis through our ARC on our Group risk profile that incorporates the preventive and mitigation strategies. Further details on the management and reporting of the risk profile, the controls in place to mitigate and manage the risks identified are provided in the Key Risk Profile of the Statement on Risk Management and Internal Control of our Integrated Annual Report 2019.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	<p>(i) In view of the high correlation between audit and risk management especially during a business transformation phase as well as taking into consideration our Board size and composition, our Board had in December 2017 determined that our Audit Committee would be able to oversee the implementation of the audit, internal control and risk management policies and framework effectively. As such, our Audit Committee was designated as Audit and Risk Committee and the scope of their responsibilities was enhanced to include oversight of risk.</p> <p>(ii) Our ARC comprises wholly of INEDs.</p> <p>(iii) In discharging of its responsibilities, our ARC is guided by the ARC Charter, which has been approved by our Board and is published on our corporate website.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> (i) Our Group’s internal audit function is known as Corporate Assurance (“CA”). Our ARC is supported by the CA which provides independent validation on the risk management, internal control and governance processes of our Group. (ii) Our ARC conducts an annual assessment of CA’s effectiveness with the assistance of our Company Secretary. (iii) CA’s role is governed by the Corporate Assurance Charter to ensure that its purpose, authority and responsibility, reflect developments in CA’s activities and in line with best practices promulgated by internal audit professional bodies. The CA Charter is periodically reviewed and amendments were approved by our ARC in March 2018. (iv) The Vice President, CA reports functionally and administratively to our ARC Chairman. Our ARC is also responsible for evaluating the effectiveness of CA and the performance of the Vice President, CA with the most recent review conducted in March 2019. Our ARC Chairman met the Vice President, CA without the presence of Senior Leadership on a regular basis. (v) Our ARC had evaluated and approved the Strategic Review Plan that sets out the scope of internal audit reviews in March 2019. (vi) CA’s team members are kept abreast of developments in the profession and industry through attendance at trainings aimed at equipping them with relevant skills appropriate to their respective levels.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>(i) All CA team members are required to declare to our ARC that they are free from any relationships or conflicts of interest which would impair their objectivity or independence.</p> <p>(ii) CA's role is governed by the Corporate Assurance Charter to ensure that its purpose, authority and responsibility reflect developments in CA's activities and are in line with best practices promulgated by internal audit professional bodies.</p> <p>(iii) The information on the number of resources, name and qualification of the person responsible for internal audit has been included as part of the Report of our ARC on pages 91 to 92 of our Integrated Annual Report 2019.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	NA	
Timeframe	:	NA	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board believes in effective, transparent and regular communication with its shareholders and other stakeholders.</p> <p>A. <u>Engagement with the shareholders, institutional investors and analysts</u></p> <p>(i) Datuk Yvonne Chia has been designated as Senior INED who acts as our Board's designated contact for consultation and direct communication with our shareholders. Together with our CFO and Company Secretary, they are the contact persons for shareholder communication as disclosed in our Integrated Annual Report 2019.</p> <p>(ii) Our CEO and Senior Leadership engaged regularly with the investment community including shareholders and media representatives through dialogues, press conferences, media interviews and social media campaigns during FY2019.</p> <p>(iii) Our Company held quarterly analyst calls and ensures that our Company's website is regularly updated with current and relevant information to provide up-to-date information on key happenings within our Group. A variety of online and offline contact options (email, online feedback form, customer service centres and social media) are provided to facilitate the public's engagement with us in their preferred manner.</p> <p>(iv) Our Board engaged with shareholders at our Sixth AGM on 7 June 2018, which afforded an opportunity to our shareholders to raise questions pertaining to our Group's performance directly to our Board, our then ED/GCEO and Senior Leadership.</p> <p>(v) More than 3,600 shareholders and proxies representing 87.75% of our Company's issued share capital attended our Sixth AGM in June 2018. Our Board members, our then ED/GCEO and Senior Leadership attended the said AGM and responded to questions raised on our Company's performance, financial results and corporate governance by our shareholders, their</p>

	<p>proxies and the Minority Shareholders' Watchdog Group. An overview of our Group's results and key achievements in the last financial year was presented during the said AGM.</p> <p>(vi) Voting procedures were explained by our Board Chairman prior to voting. As required by the MMLR, voting on all resolutions at our Sixth AGM in June 2018 was conducted by poll whereby, Boardroom Share Registrars (formerly known as Symphony Share Registrars Sdn Bhd) and Boardroom Corporate Services Sdn Bhd (formerly known as Boardroom Corporate Services (KL) Sdn Bhd) were engaged as the poll administrators and independent scrutineers, respectively.</p> <p>(vii) Minutes of our Sixth AGM held on 7 June 2018 were published on our Company's website on 30 July 2018.</p> <p>B. <u>Engagement with employees</u> Our Company maintains regular communication with employees on various topics including our Company's performance and strategies, training and development, COBE, Occupational Safety and Health, performance evaluation and benefits. In FY2019, we engaged with our employees through a variety of means including our internal website (Astronet, which is updated daily), meetings, employee engagement activities, townhalls and surveys.</p> <p>C. <u>Engagement with local community</u> Our Company engages with the local community throughout the year via our Foundation, Yayasan Astro Kasih. In FY2019, Astro Kasih continue to focus on executing various long-term community programmes that make a lasting difference. Some of our on-going community engagements include Kampus Astro, Astro Kasih Hostels, Astro-WEDU programme, Kem Bola and Kem Badminton, which is in line with Yayasan Astro Kasih's pillars of Lifelong Learning, Community Development, Sports, and Environment.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>FY2019 marks the 4th year of our integrated reporting journey. Through the integrated reporting approach, our Company aims to improve the quality of information disclosures to stakeholders and to promote greater transparency regarding our business and how we create value over the short and longer term.</p> <p>(i) Our Company's Integrated Annual Report 2019 is prepared in line with the International Integrated Reporting Framework issued by the International Integrated Reporting Council ("IIRC"). Underpinning this is a focus on the disclosure of financial/quantitative and non-financial/qualitative information, and incorporation of integrated reporting content principles and content elements, for a holistic and strategic approach to corporate reporting to better meet the needs of various stakeholders.</p> <p>(ii) Our application of integrated reporting principles in our Integrated Annual Report 2019 include:</p> <p>(a) <i>Sustainability</i> section that explains how we proactively engage with stakeholders to address their concerns (Stakeholder Engagement), including disclosures pertaining to key Material Matters and a narrative of our progress in FY2019 pertaining to each of our Strategic Pillars and mapped to our Key Risk Profile to ensure emerging opportunities and threats are identified, assessed and effectively managed to drive the achievement of our Company's strategic imperatives;</p> <p>(b) <i>Our Value Creation</i> section that details our key areas of business focus amid the prevailing market landscape, including the identification of capitals that serve as inputs in our business process, our value creation framework guided by the United Nations Sustainability Development Goals and underpinned by our seven Strategic Pillars of Content, Customer, Experience, Digitalisation, Talent, Community and Environment, and</p>

	<p>outputs therefrom impacting our business and stakeholders; and</p> <p>(c) Enhanced connectivity of information focusing on the interrelatedness and dependencies of disclosures throughout our Integrated Annual Report 2019, as evidenced by 360° referencing applied throughout our Integrated Annual Report 2019.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>(i) Our Company endeavours to issue the Notice of our AGM at least 28 days prior to the meeting to accord sufficient time to our shareholders to prepare for the meeting and make informed voting decisions.</p> <p>(ii) In respect of our Seventh AGM scheduled on 27 June 2019, the Notice of AGM and Integrated Annual Report 2019 were issued on 15 May 2019 giving our shareholders notice of at least 28 days prior to the meeting.</p> <p>(iii) Notice of our AGM is posted on our Company's website as soon as it is issued to ensure wider and proper dissemination. Our Company's Constitution was adopted by our shareholders at the Sixth AGM on 7 June 2018, which enabled communications with our shareholders via electronic means. Rule 183 of our Company's Constitution provides that notices of general meetings of our Company may be given in electronic form by way of publication on our Company's website provided that a notification has been given in accordance with the Act and MMLR.</p> <p>(iv) An abridged version of our Integrated Annual Report 2019 was sent to all eligible shareholders on 15 May 2019. Our shareholders retain the right to request for a hard copy of our Annual Report as set out in the MMLR. Our Integrated Annual Report 2019 and past years' annual reports can be downloaded from our Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>(i) An annual Board Meeting calendar is prepared prior to the commencement of a new financial year so that our Directors are able to lock-in the dates of our AGM and Board/Board Committee meetings. All our Directors were present at the Sixth AGM on 7 June 2018.</p> <p>(ii) Our Board Chairman presided over the Sixth AGM, and together with our then ED/GCEO and Senior Leadership, addressed various questions from our shareholders, proxies and the Minority Shareholders' Watchdog Group on operational, financial and governance matters. The Chairman of our respective Board Committees were also present and where required, addressed questions during the said AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>(i) Our Board views that the current state of technology that enables voting in absentia and remote participation at General Meetings may not have reached an acceptable degree of reliability in respect of security and confidentiality. Further, the cost of such technology having regard to the expected take-up amongst our shareholders may outweigh the benefits.</p> <p>(ii) Our Sixth AGM which was held at a convenient location within the city centre with access to public transportation, had a reasonably high shareholders' attendance.</p> <p>(iii) Notice of our Sixth AGM, Annual Report 2018 and Circular to Shareholders were issued on 8 May 2018, which was more than 28 days prior to the AGM, thus enabling adequate time for our shareholders to make the necessary arrangements, either to attend our AGM personally or to appoint proxies. Our shareholders were permitted to appoint up to two proxies to attend and vote on their behalf in accordance with our Company's Constitution.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Our Board will continue to monitor and evaluate the cost and reliability of the technological options to facilitate voting in absentia and remote participation by our shareholders.
Timeframe	:	Others

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

This section is not applicable to Astro
