

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6399
COMPANY NAME : ASTRO MALAYSIA HOLDINGS BERHAD
FINANCIAL YEAR : January 31, 2020

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 PERSUANT 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 Astro Malaysia Holdings Berhad ("Astro" or "Company") and its subsidiaries (collectively, "Group"). Our Board has established the Corporate Governance ("CG") Framework which lays down our governance structures and processes. An annual review of the Governance Framework is performed to ensure that it remains relevant and is continuously 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 Team ("SLT"). Our Board is supported by four Board Committees:- (a) Audit and Risk Committee ("ARC") (b) Nomination and Corporate Governance Committee ("NCGC") (c) Remuneration Committee ("RC") (d) Strategy and Business Transformation Committee ("SBTC").</p> <p>(iii) Our Board Committees operate within the scope of responsibilities delegated by our Board as set out in their respective Charters. In March 2019, the SBTC was established by our Board for the purposes of enhancing oversight of key transformation plans, and to guide our SLT towards the achievement of our Group's strategic objectives.</p> <p>Our Board Charter and Board Committee Charters can be downloaded from our corporate website at https://corporate.astro.com.my/our-company/corporate-governance.</p> <p>(iv) Our CG framework lays down the structure, processes and lines of authority that govern how our businesses are directed, managed and controlled. This ensures compliance with any applicable laws, rules and regulations, and to our Company's Constitution as well as adherence to good corporate governance ("CG") practices. Our Board's role and responsibilities, and the delegation of powers to our Board Committees and Group Chief Executive Officer ("GCEO") are clearly delineated, including the limits of authority ("LOA") delegated by our Board to our GCEO and SLT.</p> <p>(v) Our Group's key values, principles and ethos are outlined in the Board Charter to guide dealings with all our stakeholders. The key guiding principles that have been adopted by our Board are <i>Fairness, Transparency, Accountability and Responsibility</i>.</p>

	<p>(vi) 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>(vii) Our Board is highly involved in the end-to-end process of strategic planning, where its key role is to review and challenge the overall strategic plan prepared by our GCEO and SLT, and to provide various inputs and insights for the development of a plan that will provide optimum benefits to our Group and our stakeholders. The implementation and execution of the approved strategies by the SLT will be closely monitored during the course of the financial year.</p> <p>(viii) During the financial year ("FY") ended 31 January 2020, our Board established the SBTC for the purposes of assisting our Board to oversee our Group's strategies and business transformation projects to ensure Astro remains competitive and a future proof business model. This includes assessing strategic and growth options to defend and diversify for digital and disruptive transformation, taking into account the industry and technology trends and the competitive landscape, examining business development and innovation options as well as the reviewing the optimal cost structures.</p> <p>(ix) In discharge of its responsibilities, our SBTC conducted several strategy review sessions during the last financial year. The strategic priorities and plans were refined by our SLT under our SBTC's guidance before they were submitted to our Board for approval. After due deliberation of the proposed strategies and key assumptions, approval-in principle for our Group's three-year Strategic Plan for FY2021 to FY2023 was granted by our Board and approval was granted for the FY2021 Budget prior to the commencement of the new financial year.</p> <p>(x) Post Board approval, the implementation and progress of the key strategies will be monitored by our SBTC and Board. In particular, our SBTC reviews the transformation action plans on a monthly basis and updates our Board. The agenda of our quarterly Board meetings focus on a review of strategic, operational and financial performance and matters requiring our Board's attention and/or approval. Updates will be provided by the chairman of our respective Board Committees on its deliberations, key findings and recommendations. Our GCEO, Group Chief Financial Officer ("GCFO") and the relevant SLT members attended our Board and/or Board Committee meetings.</p> <p>(xi) As part of its oversight responsibilities, our Board approves the annual Company Scorecard which set out the key performance indicators ("KPIs") and targets based on the recommendations of our RC. The Company Scorecard is the basis for determining the annual bonus and increment for our employees, including our GCEO. The FY2020 Company Scorecard that was approved by our Board comprises both financial and non-financial KPIs with the appropriate and balanced weightages:-</p> <ul style="list-style-type: none"> (a) Financials KPIs including revenue and profit after tax (b) Engagement and Sustainability KPIs (c) People KPIs. <p>(xii) Our ARC reviews our Group's risk appetite and risk tolerance thresholds on a quarterly basis. The Group Risk Management team (reporting to our GCFO) tables our Group's Key Risk Profile and risk mitigation strategies at our quarterly ARC meeting. The ARC held five meetings in FY2020 to review matters under its purview, including the quarterly financial reports, audited financial statements, dividend proposals, External Auditors' report, Corporate</p>
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	<p>Assurance reports, risk management reports as well as legal and compliance reports. For more details, please refer to our ARC Report in our Integrated Annual Report 2020 (“IAR2020”).</p> <p>(xiii) Our Board through our NCGC is responsible for, inter alia, reviewing our Board composition and mix, selection of Board and Board Committee members, appointment of GCEO, GCFO and key senior management, amongst others. Our NCGC held four meetings during FY2020 to review matters under its purview, including our Group’s organisation structure to ensure it is robust and supports our Group’s transformation objectives, the hiring of key senior management positions and the adequacy of Board and management succession plans.</p> <p>(xiv) Our RC has been entrusted to review the overall remuneration framework and policies of our Group. Five meetings were held by our RC in FY2020 to review matters under its purview, including our Non-Executive Directors (“NED”) remuneration and benchmarking, GCEO’s and SLT’s performance, development of the annual Company Scorecard. During the year, our RC deliberated on the establishment of a proposed Long Term Incentive Plan to replace the existing Management Share Scheme 2012 that is expiring in 2022.</p> <p>(xv) During FY2020, an internal taskforce was established to oversee the development of a formal anti-bribery programme, including enhancing our existing policies, taking into consideration the Guidelines on Adequate Procedures issued pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (as amended by the MACC (Amendment) Act 2018). In March 2020, our Board adopted the Astro Anti-Corruption Framework and its related policies to guide our Directors, SLT, employees and associated persons to avoid and mitigate bribery risks.</p> <p>(xvi) Matters requiring our Board’s approval may be obtained at a properly convened Board meeting or via written resolutions. A quorum of two Directors is sufficient for Board meetings to be convened, whereby decisions may be reached by a majority of Directors assenting to the resolution. Approval via written resolutions are to be signed by all Directors in accordance with Rule 148 of our Company’s Constitution. For more details, please refer to our Company’s Constitution which can be downloaded from our corporate website at https://corporate.astro.com.my/our-company/corporate-governance.</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 YBhg. Tun Dato' Seri Zaki bin Tun Azmi ("TZA"), an independent non-executive Director ("INED"). Our Board believes that an independent Chairman, whose role and responsibilities are set out in our Board Charter, facilitates a more effective and independent oversight of management.</p> <p>(ii) TZA is formerly the Chief Justice of Malaysia and had a distinguished career in the judicial and legal profession. With his knowledge and experience in the legal and regulatory framework, he provides effective counsel and leadership to our Board and instils a high standard of CG practices. TZA also chairs our NCGC, which is responsible for assisting our Board in the development and monitoring of our Group's CG framework and practices. As NCGC Chairman, TZA leads the Board Effectiveness Evaluation ("BEE") to measure the effectiveness of our Board and Board Committees as well as individual Directors' performance.</p> <p>(iii) Board and shareholders' meetings are chaired by our Chairman. During Board meetings, our Chairman ensures that all Directors are given an equal opportunity to raise important matters and voice their views on proposals submitted. The agenda for our Board meetings is set by our Chairman upon consultation with our GCEO and GCFO to ensure that key matters are brought up for discussions and sufficient time is allocated. Our Directors are provided timely and relevant information by our SLT to enable a proper and informed decision-making process. During FY2020, pre-Board sessions between our Board Chairman and SLT were held on a quarterly basis to brief our Chairman of the key matters to be raised at each Board meeting.</p> <p>(iv) Our Chairman's responsibilities include ensuring that newly appointed Directors are aware of their responsibilities and our Group's business through a tailored induction programme. YBhg. Tunku Alizakri bin Raja Muhammad Alias ("TAZ"), Puan Mazita binti Mokty ("MM") and Encik Nik Rizal Kamil bin Nik Ibrahim Kamil ("NRK") who were appointed as our Directors during FY2020 attended the internal induction programme, which included briefings on business strategies and performance updates, technology, content as well as the competitive and regulatory landscape. The induction included a visit to our TV, Radio and Go Shop broadcast and operation centres to facilitate a better understanding of the operations.</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) Our Board Chairman and GCEO positions are separated and held by different individuals. (ii) The role and responsibilities of our Board Chairman and GCEO are formally documented in our Board Charter, which can be downloaded at https://corporate.astro.com.my/our-company/corporate-governance_ (iii) The separation of roles ensures there is a balance of power and authority in accordance with good CG practices. Our Board Chairman is primarily responsible for ensuring our Board's effectiveness on strategy, governance and compliance whilst our GCEO 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	:	(i) Our Board is supported by a Company Secretary with legal qualifications and has over 20 years' experience in the corporate secretarial field. Ms. Liew Wei Yee Sharon is a licensed secretary and holds the practising certificate issued by the Companies Commission of Malaysia. (ii) Roles and responsibilities of our Company Secretary include:- (a) Advising our Board and SLT 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; (b) Efficient administration of our Group entities, particularly with regards to compliance with Constitution as well as statutory and regulatory requirements; (c) Organising our Board, Board Committees and shareholders' meetings, and preparing the Minutes of Meetings and written resolutions; (d) Monitoring compliance with our Board processes and procedures; (e) Acting as the conduit between our Board members and SLT to ensure proper communication; (f) Conducting induction programmes for new Board members and ensuring that a continuing education programme is in place for all Board members; and (g) Facilitating the annual BEE.
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 1.5

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"> (i) Notice of our Board and Board Committee meetings are issued at least five business days prior to the meeting. The agenda items are set after consultations with our Board/Board Committee Chairman, GCEO and GCFO. The agenda items and submission deadlines will be notified by our Company Secretary. (ii) Meeting materials will be reviewed and endorsed by our GCEO, GCFO and/or respective heads of business units prior to circulation to ensure comprehensive and accurate information necessary informed decision-making. Our GCEO, GCFO and the relevant SLT membership attend the meetings to present their proposals. Board approvals will be sought for matters beyond our GCEO's LOA and in respect of matters specifically reserved for our Board. The list of Board reserved matters is set out in our Board Charter. (iii) The meeting materials are circulated via electronic means to enable immediate access by our Directors, hence allowing more time for reading and preparation. More importantly, the use of an e-paper tool enhances control over the circulation of confidential information and provides access to archived materials. (iv) Minutes of our Board and Board Committee Meetings are recorded by our Company Secretary. The Minutes are drafted comprehensively setting out the key issues, deliberations and decisions, including dissenting vote and abstention, if any. A summary of the decisions and action items will be prepared, followed by the draft Minutes which will be tabled for confirmation at the next Board or Board Committee meeting. Matters arising from previous meetings will be assigned to the relevant responsible persons and continuously tracked and reported until completion. (v) The Minutes of each Board Committee meetings will be tabled for our Board's notation at our quarterly Board Meetings. This is in addition to the summary presented by the respective Chairman of our Board Committees.
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 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 are 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) Our Board Charter sets forth, inter alia:-</p> <ol style="list-style-type: none"> (a) Our Board's principal responsibilities (b) Role descriptions of our Board, Board Committees, individual Directors, GCEO and SLT (c) Board processes in relation to meetings (d) Board Reserved Matters i.e. matters which require our Board's approval including:- <ul style="list-style-type: none"> ▪ Group strategic plan and budget ▪ Unaudited quarterly financial results and audited financial statements ▪ Investments and transactions in excess of LOA, including related party transactions ▪ Appointment of GCEO, GCFO and Company Secretary. <p>(iii) 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 at https://corporate.astro.com.my/our-company/corporate-governance. In addition, the Reports of our ARC, NCGC and RC for FY2020 are on pages 133 to 143 of our IAR2020.</p> <p>(iv) Powers for the day-to-day management of our Group have been delegated to our GCEO within the approved LOA, which is reviewed by our Group Risk Management on a regular basis. The LOA outlines the decision-making authority of our GCEO and the delegation of authority by our GCEO to our SLT in respect of, inter alia:-</p> <ol style="list-style-type: none"> (a) Operational and capital expenditure (b) Execution of contracts (c) Procurement (d) Litigations (e) Human capital.
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	:	<p>(i) Our Group's Code of Business Ethics ("COBE") outlines the principles and best practices to be applied by our employees when conducting business, including managing conflicts of interests, preventing the abuse of power and corruption, and insider trading. The COBE is published on our internal portal and our Company's website at https://corporate.astro.com.my/our-company/corporate-governance.</p> <p>(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.</p> <p>(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 FY2020, 99.3% of our employees (inclusive of contract staff) had completed the assessment. The COBE was recently reviewed and enhanced to prevent acts of bribery and corruption.</p> <p>(iv) Our Corporate Assurance Division ("CA") is responsible for reviewing and monitoring compliance to the COBE as part of its ongoing reviews and reports its findings to our ARC annually.</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

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 independently managed by our 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. In the event a disclosure relates to our ARC Chairman or Vice President, CA, the matter will be escalated to our Board Chairman and/or GCEO.</p> <p>(iii) The WPP is periodically reviewed by our CA and ARC to ensure its effectiveness. The WPP was recently reviewed and enhanced to guard against acts of bribery and corruption. The WPP is published on our Company’s website https://corporate.astro.com.my/our-company/corporate-governance.</p> <p>(iv) 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 independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As at 31 January 2020, our Board comprised eight Directors, of whom three or 37.5% are independent non-executive Directors.</p> <p>There were changes to our Board composition in FY2020. Prior to 1 September 2019, our Board comprised nine Directors, of whom four or 44% were INEDs:-</p> <p>(a) Mr. Richard John Freudenstein (INED) and En. Shahin Farouque bin Jammal Ahmad (non-independent Director representing Khazanah Nasional Berhad) resigned on 31 August 2019; and</p> <p>(b) NRK (non-independent Director representing Khazanah Nasional Berhad) was appointed on 1 September 2019.</p> <p>Our Board believes that there are adequate procedures to ensure that our Board's decisions are balanced, effective and in the best interest of our Group. Such procedures include:-</p> <p>(a) An interested Director is advised to recuse himself and abstain from deliberating and voting on a resolution in which he is interested. This will enable the non-interested Directors to deliberate freely and decide on such matters in their absence; and</p> <p>(b) Directors owe fiduciary duties to our Company under the Act and are required to act in our Company's best interests. In particular, Section 213 of the Act provides that 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><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	<p><i>Our Board is committed to have at least 50% INEDs on our Board by appointing suitable candidates who can contribute to our Board effectiveness. Candidates will be evaluated by our NCGC guided by the Board Selection Criteria, which is premised on diversity in terms of age, gender and experience in the specific areas that may be identified in the Board Skills Matrix.</i></p>
Timeframe	:	<p>Within 3 years.</p>

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	:		
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	:	Not Adopted
Explanation on adoption of the practice	:	Our existing policy limits the tenure of an independent Director to nine years subject to seeking shareholders' approval provided there are strong justifications.

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 some of the key criteria used by our NCGC and Board to assess 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 page 122 of our IAR 2020.</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 the Board Selection Criteria and the Board Skills Matrix which maps the age, gender, skills, experience and leadership of our existing Directors and the desired attributes and competencies to meet the evolving needs of our Group. Any gaps identified from the annual BEE will also be taken into consideration.</p> <p>(iv) Meetings will be arranged for our Directors to interview the proposed Board candidate and background reference checks are carried out as part of the assessment process.</p> <p><u>Senior Leadership Team Appointments</u></p> <p>(i) Our NCGC and Board regularly review our Group's organisation structure to ensure that all key and critical positions are filled to provide the right leadership towards the achievement of our corporate goals and objectives.</p> <p>(ii) SLT appointments will be 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 SLT appointments to provide additional qualitative input.</p> <p>(iii) The appointment of our GCEO, GCFO and Company Secretary are reviewed and recommended by our NCGC for Board approval. Other SLT appointments will be reviewed by our NCGC and Board, where appropriate. Interviews and background reference checks on the candidates are carried out as part of the pre-employment screening process.</p> <p>(iv) During FY2020, our NCGC and Board members reviewed the appointment of several key positions including our Group Chief Operating Officer/Chief</p>

	<p>Executive Officer TV and Director Data to strengthen our leadership team. This move is part of Astro's business and people transformation plan in view of the ongoing changes in the media and entertainment industry.</p> <p>(v) In relation to gender diversity, 50% of our employees and 42% of SLT are females.</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) As at 31 January 2020, our Board comprised eight Directors, of whom two or 25% are women directors.</p> <p>(ii) In respect of the policy on gender diversity, our Board recognises 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. The key criteria for appointments to our Board is therefore based on merit and ability of the individual to contribute positively to the overall strengths of our Board as a whole, taking into consideration our Group's future strategic direction. Gender is one of the criteria that will be taken seriously. Other selection criteria have been disclosed under Practice 4.4 (Board Appointments).</p> <p>(iii) The profiles of Datuk Yvonne Chia ("DYC") and MM who are currently serving on our Board, are set out on pages 104 and 107 of our IAR2020 and our corporate website:-</p> <p>(a) DYC is our Senior INED, Chairman of our RC as well as a member of our ARC, NCGC and SBTC. She was at the helm of several banks and was the first female chief executive of a commercial bank in Malaysia; and</p> <p>(b) MM is a lawyer by profession and has over 20 years' experience in the legal and regulatory fields. MM heads the legal team of a large Malaysian investment holding company which has significant investments in media, telecommunications and shipping.</p> <p>Therefore, DYC and MM are highly respected by their peers and possess strong leadership traits. Their insights are respected and given equal and proper consideration by the other members of our Board, GCEO and SLT.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	<i>Our Board is committed to achieve at least 30% women representation on our Board and recognises that gender is an important criteria in the selection of candidates. The search for suitable candidates is on-going and will be reviewed together with the overall composition and skill sets of our Board.</i>
Timeframe	:	Within 3 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	:	To identify candidates for appointment as Directors, our Board relies on recommendations from our Directors, GCEO, SLT, major shareholders and industry contacts, including our external audit firm that has a wide network globally. In appropriate circumstances, our NCGC may refer to independent sources such as recruitment agencies.
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	<p>(i) A formal and objective evaluation to determine the effectiveness of our Board as a whole, our Board Committees and individual Directors is conducted on an annual basis. Such evaluation includes an assessment of the independence of our INEDs.</p> <p>(ii) The annual BEE is regarded as a tool to help identify the strengths and weaknesses of our Board, Board Committees and individual Directors, in addition to providing a measurement of past performance. The findings are also used for the purpose of recommending the re-election of our Directors at our AGM and to assist in the selection of potential candidates to be appointed to our Board.</p> <p>(iii) The BEE is facilitated by our NCGC with the assistance of our Company Secretary through an online questionnaire, which is based on a 360°, self and peer evaluation with feedback from our individual Directors and relevant SLT members. The results are tabulated by our Corporate Secretarial team.</p> <p>(iv) Our Board through our NCGC periodically engages an external facilitator to conduct the evaluation to provide independent recommendations and benchmarks to enhance our Board's performance and practices. The most recent evaluation by an external facilitator was conducted in January 2017.</p> <p>(v) The parameters used in the BEE FY2020 are set out below:-</p> <p><u>Board as a whole and Board Committees</u></p> <ul style="list-style-type: none">▪ <i>Board composition, roles and functions</i>▪ <i>Information management</i>▪ <i>Discharging Board's key responsibilities</i> <p><u>Individual Directors</u></p> <ul style="list-style-type: none">▪ <i>Board contribution</i>▪ <i>Knowledge and abilities</i>▪ <i>Teaming</i>▪ <i>Integrity</i>▪ <i>Personal commitment</i> <p><u>Independent Directors</u></p> <ul style="list-style-type: none">▪ <i>Ability to exercise independent judgement</i>▪ <i>Ability to demonstrate the values and principles associated with independence such as impartially, objectivity and consideration of all stakeholders' interests</i>

	<p>(vi) The analysis will be reviewed by our NCGC and shared with our Board, including important suggestions and feedback from Directors and SLT. Key strengths and weaknesses will be highlighted, and actions plans will identified as appropriate. Each Director will be furnished with an assessment of his/her performance.</p> <p>(vii) The BEE FY2020 did not indicate any material weaknesses and found that:- (a) Our Board, Board Committees and individual Directors have continued to perform their duties satisfactorily; and (b) The level of independence shown by our INEDs is an area of strength. The evaluation indicated that our INEDs have consistently demonstrated the values and principles associated with independence (i.e. impartiality, objectivity and consideration of all stakeholders' interest) and are unafraid to voice his/her opinions even if they are not aligned with majority views.</p> <p>(viii) Based on the findings, the key focus for FY2021 is enhancing our Board's oversight over strategy execution and strengthening Board and management succession plans.</p> <p>(ix) Our Board has recommended the re-election of DYC, RV and NRK at our forthcoming AGM in July 2020 on the basis that they have contributed to the overall effectiveness of our Board and discharged their duties as Directors in the past year. Further, our Board is satisfied that our GCEO and GCFO have the character, experience, integrity, competence and time to effectively discharge their respective roles.</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

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>Non-Executive Directors' Remuneration Policy</i></u> (i) Our Non-Executive Directors' Remuneration Policy was refined in December 2019. The said Policy states that the remuneration payable to our NEDs should be adequate to attract, retain and motivate individuals of the necessary calibre, expertise and experience to join our Board. (ii) In determining our NEDs' remuneration, factors that will be taken into consideration by our RC and Board include:- (a) the required experience, time commitment, level of responsibilities; (b) complexity of roles and responsibilities shouldered; (c) special assignments (if any); (d) risks assumed as a Director; and (e) benchmarking with industry peers. (iii) Our NEDs' remuneration adheres to a schedule of fixed rates which has taken into consideration their responsibilities on our Board and Board Committees. Approval will be sought from our Company's shareholders on an annual basis as required under Section 230 of the Act. (iv) In addition to fixed fees for membership of our Board and Board Committees (except SBTC where no fees were payable for FY2020), expenses which are reasonably incurred in the course of discharging their duties will be reimbursed. Our NEDs are paid a fixed meeting allowance on a per-day basis for attending Board, Board Committees and shareholders' meetings. (v) In accordance with CG best practices, our NEDs are not eligible to participate in our Company's existing Management Share Scheme. (vi) At the Seventh AGM held 27 June 2019, approval from our Company's shareholders was obtained for our NEDs' remuneration at the same rates that were tabled for shareholders' approval in 2018. The rates were reviewed by an independent consultant and determined based on our Group's circumstances and benchmarking with our industry peers.

(vii) As required by under Section 230 of the Act and MMLR, our Board will be seeking our shareholders' approval at the forthcoming Eighth AGM on 29 July 2020 for the payment of NEDs' remuneration for the period commencing 30 July 2020 to our next AGM to be held in 2021 ("**Relevant Period**") on a monthly basis and/or as and when incurred based on the remuneration rates as set out below:-

Type of Fees/Benefits	Amount (RM)
Board Chairman	520,000 per annum
Non-Executive Director	280,000 per annum
Audit and Risk Committee	
▪ Chairman	50,000 per annum
▪ Member	25,000 per annum
Remuneration Committee	
▪ Chairman	40,000 per annum
▪ Member	20,000 per annum
Nomination and Corporate Governance Committee	
▪ Chairman	40,000 per annum
▪ Member	20,000 per annum
Strategy and Business Transformation Committee	
▪ Chairman	40,000 per annum
▪ Member	20,000 per annum
Meeting Allowances	1,000 per day
Benefits	Company car, petrol and driver for the Board Chairman

(viii) Our RC and Board have reviewed and determined that the current remuneration rates for our NEDs remain competitive and appropriate based on the responsibilities of our NEDs, the current market landscape that the Company operates in and are within market benchmarks. On this basis, it is proposed that our NEDs' remuneration for the Relevant Period remain unchanged at the same rates as the past two years, subject to a maximum amount of RM3.54 million after taking into consideration the potential size of our Board and Board Committees, including the appointment of an additional Director, the frequency of meetings and to remunerate our SBTC which was established last year at the same rate as our RC and NCGC.

Senior Leadership Team's Remuneration Policies and Procedures

- (i) Our Group's policy in the selection, appointment and remuneration of SLT 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. These criteria are not exhaustive and may include other important criteria such as collaborative skills.
- (ii) Employees' salary structures are appropriately benchmarked and the salary range for each job level has been established. SLT remuneration typically comprises a fixed monthly basic salary, travel allowance and discretionary annual cash performance bonus. Eligible employees have the opportunity to participate in our Company's existing Management Share Scheme which was established in September 2012 for a period of 10 years. The vesting of the share awards under the said Management Share Scheme is subject to our Company and the individual meeting the performance targets set by our Board.

	<p>(iii) The performance of our GCEO will be evaluated by our RC and Board based on the KPIs and targets set out in the Company Scorecard. The performance of our SLT is evaluated by our GCEO based on our Company's and the individual's performance, and will be further reviewed by our RC to ensure a fair distribution in accordance with the approved salary increment and bonus scheme and commensurate with the individual's performance.</p> <p>(iv) The total salary increment and bonus proposal for our employees is subject to review by our RC and approval of our Board. Our RC and Board will take into consideration our Company's performance which is measured by the Company Scorecard, movements in the consumer price index and the average salary increment and performance bonus for comparable companies, including the companies listed on the Bursa Securities.</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

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 has been entrusted with the responsibility of implementing our Board's policies and procedures for remunerating our Directors and SLT.</p> <p>(ii) Our RC is chaired by DYC, our Senior INED and comprises exclusively of NEDs, a majority of whom is independent.</p> <p>(iii) The primary purpose and functions of our RC are set out in the RC Charter, which can be downloaded from our corporate website at https://corporate.astro.com.my/our-company/corporate-governance_</p> <p>(iv) A summary of our RC's activities in FY2020 is set out below:-</p> <p>(a) Review of NEDs' remuneration for the purposes of seeking annual shareholders' approval;</p> <p>(b) Review of the total bonus and increment proposal for Astro employees, and specifically our GCEO based on our Company's performance against the pre-determined targets set out in the approved Company Scorecard;</p> <p>(c) Review of our GCEO's performance based on the Company Scorecard and the SLT's performance to ensure a fair distribution that is linked to our Company's and the individual's performance;</p> <p>(d) Review of a new long-term incentive plan for eligible employees;</p> <p>(e) Review of our RC Report and other remuneration disclosures contained in the CG Overview and CG Report;</p> <p>(f) Review of the Company Scorecard and guided our SLT to set the appropriate KPIs and targets that are measurable;</p> <p>(g) Review of our Group's Remuneration Philosophy and Reward Strategy including job levels, commission structures, expatriate remuneration package and employees' benefits; and</p> <p>(h) Review of our RC's Charter to ensure alignment with the MMLR and guidance issued by the Bursa Securities.</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 our individual Directors' remuneration paid in FY2020 on a named basis has been disclosed on pages 128 to 129 of our IAR2020.
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>Our Board is of the view that:-</p> <ul style="list-style-type: none">(i) Disclosing the detailed GCEO and SLT remuneration will be disadvantageous to our Group, given the competitiveness in the market for talent and due to the confidentiality of remuneration packages.(ii) 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. The appointment and remuneration of our GCEO and SLT have factored in each individual candidate's experience and skills, scope of responsibility and accountability, and global exposure.(iii) Our RC and Board ensure that our GCEO's and SLT's remuneration commensurate with individual and company performance; and implement a strict performance management system that holds them accountable for their respective roles and responsibilities.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	<i>Such disclosures may be disadvantageous to our Group, given the competitiveness in the market for talent and due to the confidentiality of remuneration packages. Nevertheless, our Board will continue to evaluate the implications based on the best interest of our Group.</i>
Timeframe	:	Within 3 years

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 :	

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 is not the Chairman of our Board. Our ARC Chairman's profile is set out on page 105 of our IAR2020 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. In addition, 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 FY2020, 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 FY2020 was carried out through a questionnaire which was completed by our ARC, SLT and Vice President, CA as well as a self-assessment by PwC.</p> <p>(iii) In relation to the independence of the External Auditors, a written assurance of independence will be obtained annually. In respect of FY2020, PwC has affirmed its independence as set out in the External Auditors' Report on page 158 of our IAR2020.</p> <p>(iv) Based on the findings of the External Auditor's assessment for FY2020 and our ARC's recommendation, our Board has recommended that PwC be re-appointed as Auditors of our Company at our forthcoming Eighth AGM on 29 July 2020.</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	:	Not Adopted
Explanation on adoption of the practice	:	<p>The appointment of our ARC members is carefully considered by our Board after a robust assessment of the individual Director's qualifications and experience to ensure that our ARC is able to properly discharge its duties and responsibilities. Procedures such as quorum and voting restrictions are in place to ensure balanced and effective decisions are made by our ARC.</p> <p>As means of ensuring a balanced and effective decision-making, some of the measures that are in place include:-</p> <ul style="list-style-type: none">(i) A Director who is interested in a matter shall declare his interest and abstain from deliberating and voting on such resolution. They will be requested to recuse themselves from any discussions and voting in respect of matters to which they may be interested. This ensures that the non-interested Directors are able to deliberate freely and decide on such matters in their absence, thus ensuring that our Board's decisions are made objectively in the best interest of our Group.(ii) The quorum of our ARC meetings is two members present, of which the majority shall be INEDs. This ensures that the decisions of our ARC are made by the independent and non-interested Directors.(iii) Our Directors are reminded of their fiduciary duties to our Company and in the event of any conflict, a non-independent Director shall not subordinate his duty to act in the best interest of our Company to his nominator.

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	:	<p>(i) The Chairman and members of our ARC possess the necessary qualifications and experience to discharge their duties and they are financially literate. Their profiles are disclosed on pages 104 to 105 of our IAR2020 and on our Company's website.</p> <p>(ii) The effectiveness of our ARC is evaluated as part of the annual BEE and based on the findings of the BEE FY2020, our Board is satisfied that the ARC has carried out its responsibilities in accordance with its Charter in FY2020. A summary of our ARC's activities in FY2020 is in the Report of our ARC on pages 138 to 143 of our IAR2020.</p> <p>(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 125 to 126 of our IAR2020. 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.</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

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"> (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. Our Board is responsible for determining our Group risk appetite and risk tolerance for management to operate within. (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. It provides guidance for a systematic approach and consistent approach to identify, assess, implement, monitor and report risk throughout our Group. The GRMF underpins our Group Risk Management Policy which established minimum standards and procedures in ensuring the GRMF is consistently applied and complied with. (iii) Our Group Risk Management team drives the GRMF in identifying, reviewing, managing and monitoring our risks, which is reviewed on an on-going basis for effectiveness and applicability. The team participates in risk discussions regularly across the businesses to provide the Board and SLT with an independent view of the risks involved and assist them to make better informed decisions. (iv) Our SLT is committed to the identification, monitoring and management of risks associated with its business activities. Our GCEO and GCFO are supported by our SLT members to assess, review, implement and monitor controls to effectively manage risks within their business. Our SLT also works closely with our Group Risk Management team 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. (v) Our ARC is supported by CA and External Auditors who provide independent assurance on the effectiveness of 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 risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control of our IAR2020 and comprises:</p> <p>(i) <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.</p> <p>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 SLT followed by our Group Risk Management team and Risk Champions.</p> <p>(ii) <u>Control Activities</u> Our Board and SLT 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 are not limited to:</p> <ul style="list-style-type: none"> (a) Group Key Risk Profile is deliberated by our management to ensure overall risk impacting our Group are adequately identified and managed within an acceptable level of risk; (b) Operating policies and procedures to ensure processes adequately mitigate risk with appropriate internal controls; (c) Business Continuity Management Framework and maintenance activities to minimise the impact of business disruption through enhancing operational resiliency for an effective response to threats and disruptions; (d) Insurance programme to safeguard our assets against material losses arising from any uncertainties; (e) LOA which stipulates the key decision-making and approval authority delegated by our Board to management for operational efficiency; (f) Key Controls Checklists to facilitate control self-assessment by heads of business units to ensure internal controls (comprising both system and manual controls) in place are effective and procedures are complied with; (g) COBE designed to reduce, if not eradicate, any corrupt practices and occurrences of bribery; and (h) Continuous enhancement on our security framework and annual penetration exercise on our physical and cyber security management practises to ensure all security threats is managed effectively.

	<p>(iii) <u>Information and Communication</u> Our Board continuously emphasises communication with all employees via employee townhalls, notices and emails to carry out their internal control responsibilities, in line with the achievement of our Group’s business objectives. 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>Further details on the management and reporting of the key risk profile, the controls in place to mitigate and manage the risks identified are provided in the Key Risk Profile on pages 52 to 55 of our IAR2020.</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

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	:	Our Board believes that a combined ARC with audit and risk management functions is more appropriate during Astro's business transformation phase and taking into consideration our Board size and composition.

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	:	<p>(i) Our Group's internal audit function is known as Corporate Assurance ("CA"). Our ARC is supported by CA which provides independent validation on the risk management, internal control and governance processes of our Group.</p> <p>(ii) Our ARC conducts an annual assessment of CA's effectiveness with the assistance of our Company Secretary.</p> <p>(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 are 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 June 2020.</p> <p>(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 2020. Our ARC Chairman met our Vice President, CA without the presence of SLT on a regular basis.</p> <p>(v) Our ARC had evaluated and approved the Strategic Review Plan that sets out the scope of internal audit reviews in March 2020.</p> <p>(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.</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

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	:	(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. (ii) CA's role is governed by the Corporate Assurance Charter to ensure that its activities reflect CA's purpose, authority, responsibility and are in line with best practices promulgated by internal audit professional bodies. (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 141 to 142 of our IAR2020.
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 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	: Our Board is committed to effective, transparent and regular communication with its shareholders and other stakeholders. (i) <u>Engagement with shareholders, institutional investors and analysts</u> (a) DYC 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 GCFO and Company Secretary, they are the contact persons for shareholder communication as disclosed in our IAR2020. (b) Our GCEO and SLT engaged regularly with the investment community, including shareholders and media representatives through dialogues, press conferences, media interviews and events during FY2020. (c) Our Company held quarterly analyst calls and our websites are regularly updated to provide relevant and up-to-date information on key happenings within our Group. A variety of online and offline contact options (e.g. email, phone, online feedback form, customer service centres, chatbots and social media) enable public to engage with us in their preferred manner. (d) Our Board engaged with our shareholders at our Seventh AGM on 27 June 2019, which afforded an opportunity to our shareholders to raise questions pertaining to our Group's performance directly to our Board, GCEO and SLT. (e) More than 4,000 shareholders and proxies representing 94% of our Company's issued share capital attended our Seventh AGM in June 2019. Our Board members, GCEO and SLT attended the said AGM and responded to questions raised on our Group's performance, financial results and corporate governance by our shareholders, their proxies and the Minority Shareholders' Watchdog Group. An overview of our Group's results and key achievements was presented during the said AGM. (f) Voting procedures were explained by our Board Chairman prior to voting. As required by the MMLR, voting on all resolutions at our Seventh AGM in June 2019 was conducted by poll, whereby Boardroom Share Registrars Sdn Bhd and Boardroom Corporate Services Sdn Bhd were engaged as the poll administrators and independent scrutineers, respectively. (g) Minutes of our Seventh AGM held on 27 June 2019 were published on our Company's website on 30 July 2019. (ii) <u>Engagement with employees</u> Our Company maintains regular communication with our employees on various topics including our Group's performance and strategies, training and

	<p>development, COBE, Occupational Safety and Health, performance evaluation and benefits. In FY2020, our GCEO and SLT engaged with our employees through a variety of means including our internal portal (Astronet, which is updated daily), employee townhalls, employee engagement activities and surveys.</p> <p>(iii) <u>Engagement with local community</u> Our Company engages with the local community throughout the year via our Foundation, Yayasan Astro Kasih. In FY2020, 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, and Kem Badminton, in line with Yayasan Astro Kasih's pillars of lifelong learning, community development, sports, and environment.</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 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>FY2020 marks the 5th 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 IAR2020 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 IAR2020 include:</p> <p>(a) <i>Sustainability</i> section explains how we proactively engage with stakeholders to address their concerns (Stakeholder Engagement), including disclosures on key Material Matters and a narrative of our progress in FY2020 pertaining to each of our Strategic Drivers 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 sustainability-focused value creation framework underpinned by our Strategic Drivers of Content, Experience & Technology, and Talent, which are applied towards serving our Customers, Community & Environment, with outputs impacting our business and stakeholders; and</p> <p>(c) Connectivity of information focusing on the interrelatedness and dependencies of disclosures throughout our IAR2020, as evidenced by the 360° referencing applied throughout.</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 strives 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 AGM and make informed voting decisions.</p> <p>(ii) The Notice of our Seventh AGM on 27 June 2019 was issued to our eligible shareholders more than 28 days prior to the said AGM. The said Notice was also uploaded on our Company's and Bursa Securities' website to ensure equal and proper dissemination. Rule 183 of our Company's Constitution provides that notices of general meetings may be given in electronic form by way of publication on our Company's website provided that such notifications have been given in accordance with the Act and MMLR.</p> <p>(iii) In respect of our forthcoming Eighth AGM scheduled on 29 July 2020, the Notice of Eighth AGM which will be held on a fully virtual basis was issued on 30 June 2020 giving 28 days' prior notice. A letter was sent on 30 June 2020 to all shareholders based on the Record of Depositors issued by Bursa Malaysia Depository Sdn Bhd as at 22 June 2020 notifying them that the Notice of Eighth AGM, Proxy Form, Administrative Guide, IAR2020, Circular to Shareholders and this CG Report 2020 can be downloaded from our corporate website at https://corporate.astro.com.my/ar2020. The IAR2020 and/or Circular to Shareholders will be sent to our shareholders upon request.</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

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	:	All our Directors were present at the Seventh AGM on 27 June 2019. Our Board Chairman presided over the said AGM, and together with our GCEO, GCFO and SLT 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 present to address questions relating to matters under the said Committees' purview.
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) At our Seventh AGM on 27 June 2019, shareholders and proxies representing over 94% of the total issued shares of the Company casted their votes. Steps taken to encourage a high shareholder participation at our AGM included:-</p> <ul style="list-style-type: none">(a) Holding our AGM at a central and convenient location within the city centre with good access to public transportation;(b) Issuing the Notice of Seventh AGM more than 28 days prior to our AGM to give ample notice to our shareholders to plan and make the necessary arrangements either to attend in person or to appoint a proxy to vote on his/her behalf; and(c) According to our Constitution, shareholders who are unable to attend are permitted to appoint up to two proxies to attend and vote on their behalf. <p>(ii) Our Company leverages on technology to conduct the voting process via e-polling at our AGM. Our Company had appointed its share registrar, Boardroom Share Registrars Sdn Bhd as Poll Administrator to conduct the poll by way of electronic voting and Boardroom Corporate Services Sdn Bhd as independent scrutineers to verify the poll results. This has resulted in a more efficient and timely voting process.</p> <p>(iii) The cost and reliability of the technological options to facilitate remote participation and voting at general meetings by our shareholders will continue to be monitored and evaluated annually.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Our Company will be holding a fully virtual AGM in July 2020 in view of the COVID-19 pandemic so as to ensure the safety of all individuals in accordance with the Guidance on the Conduct of General Meetings by Listed Issuers issued by the Securities Commission in April 2020 (as amended in June 2020 in relation to the Recovery Movement Control Order) and the standard operating procedures issued by Majlis Keselamatan Negara or MKN.
Timeframe	:	-

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.

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