

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

BOARD CHARTER (“Charter”)
(Adopted by the Board on 30 March 2015)

1. Introduction

The Board of Directors (the “**Board**”) of Astro Malaysia Holdings Berhad (“**Company**”) is responsible for overseeing the Company’s management and business affairs and makes all major policy decisions of the Company. This Charter, together with the Company’s Articles of Association, Memorandum of Association and the charters of the Board committees, provide the authority and practices for governance of the Company. For the purpose of this Charter, the term “Group” refers to the Company and its subsidiaries.

2. Key values, principles and ethos of the Company

The Company aspires to the highest standards of ethical conduct: doing what it says; reporting results with accuracy and transparency; and maintaining full compliance with the laws, rules and regulations that govern the Company’s business.

Good governance is one of the Company’s key doctrines. The Company is committed not only to meeting legal and regulatory governance requirements, but to having best-practice governance. The Company is however aware that good values and principles are not an end in itself, but that it facilitates the Company’s capacity to define and achieve its purposes.

Key values and principles establish how the shareholders, the Board and management interact in determining the direction and performance of the Company. Good governance holds management accountable to the Board and the Board accountable to the owners and other stakeholders. The Board’s fundamental approach in this regard is to ensure that the right executive leadership, strategy and internal controls for risk management are well in place. Additionally, the Board is committed to achieving the highest standards of business integrity, ethics and professionalism across all of the Company’s activities.

The Board shall provide central leadership to the Company, establish its objectives and develop the strategies that direct the ongoing activities of the Company to achieve these objectives. Directors shall determine the future of the Company and shall protect its assets and reputation. They will consider how their decisions relate to stakeholders and the regulatory framework. Directors will apply skill and care in exercising their duties to the Company and are subject to fiduciary duties. Directors shall be accountable to the shareholders of the Company for the Company’s performance.

The Board regards the guiding principles to be:

- (a) **Fairness:** Minority shareholders, investors and other stakeholders are treated fairly and their interests are taken into account;
- (b) **Transparency:** Disclosure of information - financial, organisational, governance and related transactions - is adequate and timely for stakeholders to assess the performance of the organisation;
- (c) **Accountability:** Senior management is accountable to the Board for achieving plans and implementing approved policies that ensure the safeguarding of assets and the financial viability of the Company. In turn, the Board is accountable to the shareholders and other stakeholders;
- (d) **Responsibility:** Clear lines of responsibility need to exist in terms of delegations of authority and which actions or decisions require board approval or shareholder approval. Responsibility must be attributed in order to have accountability for results.

3. Board Principal Responsibilities

In order to ensure effective discharge of the Board's functions, the Board will assume the following 6 principal responsibilities:-

- (a) reviewing, adopting and monitoring the implementation of a strategic plan for the Group;
- (b) overseeing the conduct of the Group's business to evaluate whether the business is properly managed;
- (c) identifying principal risks, determining risk appetite and ensuring the implementation of appropriate controls and systems to monitor and manage these risks;
- (d) succession planning including appointing, training, fixing the remuneration and where appropriate, replacing senior management;
- (e) overseeing the development and implementation of a shareholders' communication policy for the Company to ensure effective communication with its shareholders and other stakeholders; and
- (f) reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for ensuring compliance with applicable laws, regulations, rules, directives and guidelines.

4. Composition of the Board

- 4.1 At least 2 directors or 1/3 of the total number of directors on the Board, whichever is the higher, must be independent directors.
- 4.2 If the number of directors of the Company is not 3 or a multiple of 3, then the number nearest 1/3 must be used.
- 4.3 In the event of any vacancy in the Board, resulting in non-compliance with subparagraph 4.1 above, the Board must ensure that the vacancy is filled within 3 months.
- 4.4 The Board must comprise a majority of independent directors where the Chairman of the Board is not an independent director.
- 4.5 The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the Director's re-designation as a non-independent director. Subject to obtaining the approval of the Company's shareholders, the Board may recommend, upon assessment by the Nomination and Corporate Governance Committee, and provide strong justification to retain an Independent Director who has served a cumulative term of nine (9) years as an Independent Director of the Company.
- 4.6 The Board will, in promoting board diversity, take into consideration the candidate's background, skills, experience and gender required to maintain the optimal board balance and the Board will make the necessary appointment based on merit and contribution to the overall working of the Board.

5. Director Qualification Standards

- 5.1 Each Director must have the following qualifications:
- (a) Education and experience that provides knowledge of business, financial, governmental or legal matters that are relevant to the Company's business or to its status as a publicly owned company;
 - (b) Character of the individual to ensure there will be a right fit;
 - (c) An unblemished reputation for integrity and ability to exercise good business judgment; and
 - (d) Ability to dedicate sufficient available time to be able to fulfill his or her responsibilities as a member of the Board and of any committees to which he or she may be appointed.
- 5.2 A majority of the Directors must be independent. The criteria for independence is as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board shall undertake an assessment of its Independent Directors annually.

6. Directors' Responsibilities

- 6.1 The Directors will direct the management of the business and affairs of the Group.
- 6.2 Each Director will attend substantially all the meetings of the Board and substantially all the meetings of each committee on which the Director serves.
- 6.3 Each Director will review, before attending meetings of the Board or committees, all materials provided by the Company relating to matters to be considered at the meetings.
- 6.4 Each Director shall devote sufficient time and effort to stay abreast and keep informed on all matters of importance to the Group by limiting directorships in other companies to a number in which the director can best devote his time and effectiveness. Such other directorships shall, in any event, be not more than five (5) in public listed companies inclusive of the Company.

All Directors are required to provide notification to the Board when accepting any external board appointments and seek guidance from the Chairman of the Board if there is any potential conflict of interests.

7. Matters Reserved for the Board

The following are matters reserved for collective decision of the Board which may be varied from time to time as determined by the Board:-

Note: Matters that refer to "the Company" only applies to Astro Malaysia Holdings Berhad. In all other cases, the matter refers to the Company and its subsidiaries. The Board Reserved Matters are subject to the relevant rules and regulations applicable to the entity which include the Companies Act, 1965 and the Listing Requirements of Bursa Malaysia Securities Berhad, and also subject to the entity's Memorandum & Articles of Association.

1.0	Strategy and management
1.1	Group Strategic Plan and any material changes thereto.
1.2	Consolidated Annual Budget/Plan and any material changes thereto.
1.3	Undertaking new business activities in non-traditional / non-core areas.

1.4	Mergers, joint ventures, acquisitions and divestments of equity or quasi-equity (otherwise than matters falling within the Limits of Authority of the Chief Executive Officer and investments made in accordance with approved Treasury Policy). Includes the Group's share of equity participation, shareholders' loans and guarantees.
1.5	Any major capital projects.
1.6	Decision to cease to operate all or any material part of the Group's business.
2.0	Structure and capital
2.1	Changes relating to the Company's share capital such as reduction of capital, issuance of new share capital and share buyback (including the use of treasury shares).
2.2	Changes in Group's corporate structure such as the formation/acquisition, disposal and dissolution of subsidiaries.
2.3	Changes relating to macro debt structure such as debt/equity ratio setting and overall debt exposure.
2.4	Establishment of long-term or share incentive plans and major changes to existing plans.
3.0	Finance Matter
3.1	Interim financial results and audited financial statements of the Company prior to release to the public.
3.2	Significant change in accounting policies or practices unless such alteration is required by law.
3.3	Annual Report, Circular to Shareholders, Prospectus or such other similar documents to be made available to the public at large or shareholders.
3.4	Dividend policy and the declaration/distribution of dividend, profits, reserves or capital.
3.5	Treasury Policy (including foreign currency exposure and the use of financial derivatives).
3.6	Limits of Authority including any amendments thereto.
3.7	Opening and closing of bank accounts of the Company, and the appointment or change in authorised signatories (save for the resignation of authorised signatories) and signing limits for the operation of the Company's bank accounts.
3.8	Related Party Transactions ("RPTs") (otherwise than in accordance with the approved Policy on RPT).
3.9	The giving of any guarantee or indemnity or the creation or issue of any debenture, mortgage, charge or other security or interest over any the Group's assets (otherwise than in the ordinary course of business and in any approved investments).
4.0	People
4.1	Appointment of Directors and members of Board Committees of the Company (including directors' remuneration).
4.2	Appointment of Chief Executive Officer and Chief Financial Officer of the Company and his/her remuneration package.
4.3	Terms of Reference of Board Committees of the Company and material changes thereto.
4.4	Appointment and/or removal of Company Secretary.
4.5	Appointment or removal of External Auditors and fixing of Auditors' remuneration.
4.6	Pension and compensation schemes in favour of the Chief Executive Officer and Key Senior Management.
4.7	Annual salary increment and performance bonus budget.
4.8	Appointment of Professional Advisers in respect of any corporate exercise undertaken by the Group or Consultants for major strategic consultancy projects.
4.9	The overall levels of the Group Directors' and Officers' liability insurance.

4.10	Succession management of Chief Executive Officer and Key Senior Management.
5.0	Others
5.1	Systems (including new or change to existing systems) which are fundamental to the operation of the business. Examples are the Conditional Access, Customer Relationship and Billing Platform, Set Top Box hardware, Uplink/Downlink System, Satellite/Transponder System, Overall Business Continuity and Redundancy Systems, Radio Broadcast Automation System.
5.2	Amendments to the Memorandum and Articles of Association of the Company.
5.3	Prosecution, commencement, defence or settlement of material litigation, or undertaking alternative dispute resolution mechanism.
5.4	Tax Dispute Settlement of a material nature.
5.5	Any proposed listing on any stock exchange or change of listing or plc's status.
5.6	Matters falling outside the Limits of Authority of the Chief Executive Officer.
5.7	Any amendments to the Matters Reserved for the Board.

8. Director Access to Management and Independent Advisors

Directors shall have access to management and, as necessary and appropriate, to the Group's independent advisors, in order to keep themselves fully informed of the Group's affairs and to enable them to make sound business judgements.

9. Directors' Compensation

9.1 In fixing the compensation to be paid to Directors who are not employees of the Group for serving on the Board and on committees of the Board, the Board will consider the following:

- a. The compensation that is paid to directors of other companies which are comparable in size to the Group.
- b. The amount of time it is likely Directors will be required to devote in preparing for and attending meetings of the Board and the Board Committees on which they serve.
- c. The success of the Company (which may be reflected in stock options or other compensation related to the price of the Company's shares).
- d. If a Board Committee on which a Director serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders.
- e. The risks involved in serving as a Director and a member of Board committees.

9.2 Any payment of expenses which are reasonably incurred by a Director and permitted under the Company's Articles of Association (for e.g. travelling, mobile phone and data charges) shall require the approval of the Chairman of the Board. The expenses payable to the Chairman of the Board shall be subject to Audit Committee Chairman's approval.

10. Director Orientation and Continuing Education

10.1 The Company will make available to each new Director an opportunity to discuss the Group and its business with senior executives and inform each new Director of company policies which affect Directors, including this Board Charter.

- 10.2 The Company will organise or make available from time to time suitable training programs, at the Company's cost.

11. Division of Roles between Chairman of the Board and Chief Executive Officer

- 11.1 There must be clear division of the roles and responsibilities of the Chairman of the Board and the Chief Executive Officer ("CEO") to ensure that there is a balance of power and authority. The Chairman of the Board is responsible for ensuring the Board's effectiveness and conduct as described below whilst the CEO has overall responsibility over the business units and day-to-day management of the Company, organisational effectiveness and implementation of Board policies, strategies and decisions. The position of Chairman and CEO shall be held by different individuals, and the Chairman must be a non-executive member of the Board.
- 11.2 In respect of running the Board, the Chairman is responsible for the following:-
- (a) the working of the Board;
 - (b) the balance of membership, subject to Board and shareholders' approval;
 - (c) ensuring that all relevant issues are on the agenda;
 - (d) ensuring that all Directors are enabled and encouraged to play their full part in the Board's activities. This includes ensuring that the Directors, especially the Non-Executive Directors receive timely, relevant information tailored to their needs and they are properly briefed on issues arising at Board meetings; and ensuring that the Executive Director looks beyond his executive function and accepts his full share of responsibilities of governance.
- 11.3 The responsibilities of the CEO amongst others, are as follows:-
- (a) to develop and implement corporate strategies for the Group;
 - (b) to regularly review the heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
 - (c) to ensure the efficiency and effectiveness of the operation for the Group;
 - (d) to assess business opportunities which are of potential benefit to the Group; and
 - (e) to bring material and other relevant matters to the attention of the Board in an accurate and timely manner.
- 11.4 The responsibilities of the Independent Non-Executive Directors include the following:-
- (a) to provide independent and objective views, advice and judgment to ensure that the interests of the Group, shareholders and stakeholders are well taken into account;
 - (b) to bring impartiality and scrutiny to Board deliberations and decision-making, and also serve to stimulate and challenge the Management in an objective manner;
 - (c) to constructively challenge and contribute to the development of the business strategies and direction of the Group.

12. Senior Independent Director (SID)

- 12.1 The Board shall identify a Senior Independent Non-Executive Director (“SID”) who serves as the point of contact between the Independent Directors and the Chairman of the Board on sensitive issues and acts as a designated contact to whom shareholders’ concerns or queries may be raised.
- 12.2 The NCGC shall make its recommendation to the Board for approval of the proposed nomination of SID for a term of **three (3) years** or such other term as may be determined by the Board.
- 12.3 The SID shall have specific responsibilities which include, to:-
- (a) Serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through normal channels of contact with the Chairman of the Board or CEO;
 - (b) Serve as the principal conduit between the Independent Directors and the Chairman of the Board on sensitive issues;
 - (c) Receive report(s) made by employees or external parties for the purpose of whistleblowing in the form as prescribed under the Whistleblower Policy and Procedures of AMH Group;
 - (d) Ensure that all Independent Directors have the opportunity to provide input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by management that is necessary or appropriate for the Independent Directors to perform their duties effectively; and
 - (e) Consult with the Chairman of the Board regarding Board meeting schedules to ensure Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items.

13. Division of Roles between the Board and the Board Committees and between the Board and Management

- 13.1 The Board may from time to time establish committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the following committees to assist in the execution of its responsibilities:-
- (i) Audit Committee;
 - (ii) Nomination and Corporate Governance Committee; and
 - (iii) Remuneration Committee (collectively the “Committees”);

The Committees shall operate under their respective charters. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their charters, an extract of which will be made available for reference on the Company’s website. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers.

Although the Board has granted discretionary authority to these Committees to deliberate and decide on certain operational matters as set out in their respective charter, the ultimate responsibility for final decision on all matters lies with the Board.

- 13.2 There must be clear division of the roles and responsibilities of the Board and Management to ensure that there is a balance of power and authority.

The responsibilities of Management include the following:

- (a) **Planning:** generating plans of action for immediate, short term, medium term and long term periods;

- (b) **Organising:** organising the resources, particularly human resources, in the best possible manner. Assembling and coordinating financial, physical, information and other resources needed to achieve the Company goals;
- (c) **Directing:** stimulate high performance by employees, communicating and coordinating with employees to lead and enthuse them to work effectively together to achieve the goals and targets of the Company;
- (d) **Controlling:** setting performance standards that indicate progress towards long-term goals of the Company. Evaluating the progress against the goals and targets of the Company and ensuring proper and timely execution of the same. Periodically review, evaluate and monitor performance.

14. Procedures

The processes and procedures for convening board meetings are set out in the Company's Articles of Association which include and are not limited to the following:

- 14.1 The Board may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceeding as they think fit.
- 14.2 The quorum necessary for the transaction of the business of the Board shall be two (2).
- 14.3 A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Articles vested in or exercisable by the Board generally. Subject to the Articles of Association of the Company, questions arising at any meeting of the Board shall be decided by a majority of votes. The chairman shall not have a casting vote.
- 14.4 A member of the Board, or of a committee of the Board, may participate in a meeting of the Board or the committee by means of a conference telephone or any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 14.5 A Director may, and the secretary at the request of the member shall, summon a Board meeting at any time. Notice of a Board meeting is deemed to be duly given to a Director if it is given to him personally or by electronic communication to an address given by him to the Company for that purpose or sent in writing to him at his last-known address or another address given by him to the Company for that purpose. A Director may waive the requirement that notice be given to him of a Board meeting, either prospectively or retrospectively provided that the waiver is made and signed by the member in writing. A Director absent or intending to be absent from Malaysia may request that notices of Board meetings during his absence be sent in hard copy form or by electronic communication to him at an address given by him to the Company for that purpose. If no request is made (and/or if no such non-Malaysian address is given) it is not necessary to give notice of a Board meeting to a Director who is absent from Malaysia.

15. Management Succession

- 15.1 As part of its role in directing the management of the business and affairs of the Group, the Board of Directors will be responsible for (a) ensuring that the Group's key senior management has the capability to cause the Group to operate in an efficient and businesslike fashion, and (b) reviewing the management succession plans.

- 15.2 The CEO will consult the Board to fill any vacancy in the position of Chief Financial Officer, Chief Operating Officer, Chief Commercial Officer and Chief Innovation Officer.
- 15.3 If it is anticipated that the CEO will leave the Company at a specified future date, the Board will ensure that the process of selecting a successor will take place in a manner that is likely to create a smooth transition.
- 15.4 If there is an unanticipated departure of the CEO, the Board will oversee the (a) selection of a temporary CEO to serve until a permanent replacement is selected, and (b) selection of the new CEO.

16. Annual Performance Evaluation of the Board, Board Committees and Individual Directors

The Board, through the Nomination and Corporate Governance Committee, shall conduct an annual self-evaluation on its effectiveness as a whole, each individual Director, the different committees established by the Board and independence of the Independent Directors. The evaluation will be carried out by a suitably qualified external party once in every three (3) years or when the Board deems appropriate.

17. Code of Conduct

The Board shall formalise and commit to ethical values through the maintenance of a code of conduct and ensure the implementation and ensure compliance with the code of conduct.

18. Review of Board Charter

This Charter shall be periodically reviewed and may be amended by the Board as and when it deems appropriate.