

# Corporate Governance Statement

Corporate Governance sets out the framework and process by which institutions, through their board of directors and senior management, regulate their business activities. These principles balance safe and sound business operations while complying with relevant laws and regulations.

Your Board is fully committed to maintaining high standards of corporate governance to safeguard and promote the interests of the shareholders and to enhance the long term value of the Group. To this end, it has adopted a set of Corporate Governance Guidelines to govern its conduct within the spirit of the Malaysian Code on Corporate Governance ("Code") and the Listing Requirements of Bursa Securities. The Board has approved this statement and is of the opinion that it has, in all material respects, complied with the principles and best practices outlined in the Code for the financial year ended 31 January 2009. In addition, the Board has continued to adhere to the principles recommended in the United Kingdom Combined Code of the Principles of Good Governance and Code of Best Practice where applicable to the circumstances of the Group as described in this report.

## 1. THE BOARD

The Board has adopted the following six responsibilities in the discharge of its stewardship, which are also set out in the Directors' Manual:

- Review and adopt strategic plans for the Group
- Oversee the conduct of the Group's businesses to evaluate whether the businesses are properly managed
- Identify and manage principal risks
- Succession planning of senior management
- Develop and implement an investor relations programme
- Review the adequacy and integrity of the internal control and management information systems

The Board provides the leadership necessary to enable the Group's business objectives to be met within a framework of internal controls while ensuring that the interests of the shareholders are safeguarded. During the financial year under the review, the Board has reviewed and approved a 3-year strategic plan that will set the Group's business direction in order to meet its objectives. The Board has also on a regular basis reviewed the performance of the Group and individual businesses, risk management procedures, key controls, corporate governance standards and adequacy of human resources as well as conducted investor briefings.

### 1.1 Composition and Balance

As at 31 January 2009, your Board comprised four Non-Executive Directors including the Chairman, and one Executive Director. Three of the four Non-Executive Directors are independent, which is higher than the minimum prescribed in the Code and the Listing Requirements. The Board considers that the balance achieved between Executive and Non-Executive Directors during the financial year under review was appropriate and effective for the control and direction of the Group's business. The Board is also of the opinion that the Board composition during the year under review had fairly represented the ownership structure of the Company with appropriate representations of minority interest through the Independent Directors.

The roles of the Non-Executive Chairman and the Group Chief Executive Officer have been distinguished, with a clear division of their responsibilities to ensure that there is a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct. The Group Chief Executive Officer is responsible for providing leadership and advancing

relationships with regulators and stakeholders, as well as having overall responsibility over the operating units, organisational effectiveness, formulation of strategies and implementation of Board policies and decisions.

The independent Directors play a pivotal role in corporate accountability and provide unbiased and independent views and judgement to the Board's deliberation and decision making process, which is reflected in their membership of the various Board Committees and their attendance of meetings as detailed below. In addition, the Non-Executive Directors ensure that matters and issues brought up to the Board are fully discussed and examined, taking into account the interest of all stakeholders.

All Directors observe the Code of Business Ethics established by the Group. The Group also recognises that all Directors are equally and collectively accountable for the proper stewardship of the Group's affairs. The Group maintains a directors' and officers' liability insurance policy to cover against liabilities arising from holding office as directors. The policy covers the personal liability of the directors and officers.

The profiles of the members of the Board, as set out on Pages 16 to 17 of this Annual Report, demonstrate the complement of skills and experiences that the Directors are able to bring to bear on issues of strategy, performance, control, resource allocation and integrity.

### 1.2 Appointments to the Board

In compliance with the Code, the Nomination and Corporate Governance Committee has the responsibility of proposing new candidates for appointment to the Board.

One-third of the Directors are subject to re-election by rotation at every Annual General Meeting in accordance with the Company's Articles of Association. Re-appointments are not automatic and all Directors must retire and submit themselves for re-appointment by shareholders at least once in every three years.

Pursuant to the Listing Requirements, each member of the Board holds not more than ten directorships in public listed companies and not more than fifteen directorships in non-public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the Group to enable them to discharge their duties effectively. Your Directors are in full compliance with this requirement.

### 1.3 Training

Your Board fully supports the need for its members to further enhance their skills and knowledge and changing commercial risks to keep abreast with the developments in the economy, industry and technology, among others. It is regularly updated on new statutory and regulatory requirements and the impact and implication to the Group and Directors in carrying out their duties and responsibilities.

All the Directors have attended seminars or briefings during the financial year and they are kept informed of available training programmes on a regular basis. An appropriate budget is in place for Directors' training. Among the seminars or briefings attended by one or more Directors during the financial year include:

- Television Regulatory
- Understanding the Working Methodology of Enterprise Risk Management

- An Overview of the Malaysian Capital Market – Capital Markets and Services Act 2007 and Regulation of the Securities Market
- Finance for Directors and Senior Executives
- Effective Governance The Way Forward
- Derivatives – Effective or Costly
- Board Remuneration on the Upswing – A Foreseeable Trend
- 16<sup>th</sup> World Congress on Information Technology
- Commercial Laws in Indonesia
- Ethical Trading and Responsible Sourcing
- In-House Tax Seminar
- Directors' Responsibilities under United Kingdom Law for Issuance of a Prospectus
- An Overview of Satellite Operations and Tapeless Digital Technology
- Financial Reporting Standards Updates

The Company Secretary facilitates the organisation of internal programmes and Directors' attendance in external programmes and maintains the details of training programmes attended by the Directors. In addition, the Directors receive briefings and updates on the Group's businesses and operations, risk management activities and technology initiatives on a regular basis.

### 1.4 Supply of Information and Board Meetings

Your Board has full and unrestricted access to all information pertaining to the businesses and affairs of the Group as well as services of the Company Secretary, to enable them to discharge their duties effectively. The Company Secretary also ensures that the Board is supplied with all necessary information in a reliable and timely manner as well as for ensuring good communication

## Corporate Governance Statement

between the Board, Board Committees and senior management. The Board may also seek external independent professional advice at the Group's expense.

The Board meets at least every quarter and on other occasions, as and when necessary, to inter-alia approve quarterly financial results, statutory financial statements, the annual report, business plans and budgets as well as to review the performance of the Company and its operating subsidiaries, governance matters and other business development activities. Senior management and external advisors are invited to attend the Board and Board Committees meetings to advise on relevant agenda items to enable the Board and its committees to arrive at a considered decision. Prior to Board or Board Committees meetings, the Directors receive a formal agenda and a comprehensive set of board papers encompassing management reports on financial and operating performance, minutes of Board meetings, reports on risk management, proposal papers and supporting documents to enable the Directors to review, appraise or obtain further information, if necessary on the agenda items to be discussed. In addition to quantitative information, the Directors are also provided with updates on other areas such as market developments, customer, risk management and technology. The Company Secretary attends all Board and Board Committees meetings and ensures that accurate and proper records of the proceedings of the meetings and resolutions passed are kept.

Minutes of every Board meeting are circulated to all Directors for their perusal prior to confirmation, in order to provide an opportunity to the Directors to clarify or raise comments on the minutes prior to the confirmation of the minutes.

## Corporate Governance Statement

The attendance record of individual Directors at Board and Board Committee meetings for the financial year ended 31 January 2009 is detailed below:

Name	Board	Board Committees		
		Audit	Nomination and Corporate Governance	Remuneration
<i>Number of meetings during the financial year</i>	5	5	2	2
Dato' Haji Badri Haji Masri	5/5	n/a	n/a	n/a
Ralph Marshall	5/5	n/a	n/a	n/a
Bernard Anthony Cragg	5/5	5/5	2/2	n/a
Dato' Mohamed Khadar Merican	5/5	5/5	2/2	2/2
Chin Kwai Yoong	5/5	5/5	2/2	2/2

### 1.5 Board Committees

To ensure the effective discharge of its fiduciary duties, the Board has delegated specific responsibilities to the following four Board Committees. The Board Committees will deliberate in greater detail and examine the issues within their terms of reference as set out by the Board and make the necessary recommendations to the Board which retains full responsibility.

#### Audit Committee

Composition of the Audit Committee, its terms of reference and a summary of its activities are set out on Pages 46 and 47 of this Annual Report.

#### Nomination and Corporate Governance Committee

This Committee is primarily responsible for recommending appointments to the Board and Board Committees, having regard to the overall skills and composition of the Board. In addition, there is in place a framework for Directors to evaluate the effectiveness of the Board, the Board Committees and the contribution and performance of each individual Director. The chairman of the Nomination and Corporate Governance Committee assumes overall responsibility for the assessment process and the findings are reported by the chairman and discussed with the Directors. The assessment of the chairman of this Committee is addressed by the Chairman of the Board. The assessment of Chairman of the Board is led by the Non-Executive Directors who are led by the Senior Independent Director.

In relation to the financial year ended 31 January 2009, the outcome of the assessment of the Board as a whole, Board Committees and individual Directors indicated that all the Board members were satisfied with the overall performance of the Board, Board Committees and with each other's performance and contribution, and concluded that the Board contributed effectively to the operations and review of the Group's affairs. The Board is also of the opinion that the Directors seeking re-appointment at the forthcoming Annual General Meeting (AGM) have continued to give effective counsel and commitment to the Group and accordingly should be re-appointed.

Members of the Nomination and Corporate Governance Committee, all of whom are independent Non-Executive Directors, are:-

- Dato' Mohamed Khadar Merican (Chairman)
- Bernard Anthony Cragg
- Chin Kwai Yoong

#### Remuneration Committee

This Committee is primarily responsible for reviewing and recommending the appropriate level of remuneration for the Directors and Chief Executive Officer. In respect of the financial year ended 31 January 2009, the Committee has evaluated the performance of the Group Chief Executive Officer based on agreed performance targets set by the Board and made recommendation on his performance bonus for the Board's approval.

Members of the Remuneration Committee, all of whom are independent Non-Executive Directors, are:-

- Chin Kwai Yoong (Chairman)
- Dato' Mohamed Khadar Merican

#### **Option Committee**

This Committee is primarily responsible for administering the Company's 2003 Employee Share Option Scheme and 2003 Management Share Incentive Scheme in accordance with the approved bye-laws and regulations, including selection of eligible employees and option allocations. It also reviews the guidelines and bye-laws relating to the schemes and advises the Board accordingly.

During the financial year under review, the Option Committee reviewed and approved the share option grants pursuant to the 2003 Employee Share Option Scheme. The allocation of options to eligible employees to ensure compliance with the bye-laws of the 2003 Employee Share Option Scheme was also reviewed by the Audit Committee in accordance with the Listing Requirements.

Members of the Option Committee are:-

- Dato' Mohamed Khadar Merican (Chairman)
- Ralph Marshall
- Chin Kwai Yoong

### **1.6 Directors' Remuneration**

#### **Remuneration Policy**

The Board believes that remuneration should be sufficient to attract, retain, motivate and incentivise Directors of the necessary calibre, expertise and experience to lead the Group. In line with this philosophy, remuneration for the Executive Director is aligned to individual and corporate performance based on agreed key performance indicators set by the Board. For Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities shouldered by the respective Directors.

The Remuneration Committee recommends the policy framework and is responsible for assessing the compensation package for the Group Chief Executive Officer. The remuneration of the Group Chief Executive Officer for the year under review consists of salary, bonus, benefits-in-kind and share options respectively. The Company also contributes to the employee provident fund for the Group Chief Executive Officer.

Remuneration for Non-Executive Directors is determined by the Board as a whole. Individual directors do not participate in determining their own remuneration package. The Board, subject to a maximum sum as authorised by the Company's shareholders, determines fees payable to Non-Executive Directors. Non-Executive Directors are also entitled to meeting allowances and reimbursement of expenses incurred in the course of their duties as Directors. They are not entitled to any bonus, share option or contribution scheme of the Company.

## **Corporate Governance Statement**

#### **Elements of Remuneration of Group Chief Executive Officer**

Pursuant to a Contract of Service dated 31 May 2006, Ralph Marshall's remuneration package is based on the following elements:

- Monthly executive stipend
- Annual discretionary cash incentive and share options as recommended by the Remuneration Committee and approved by the Board
- Defined contribution plan, benefits-in-kind and other allowances
- A fully maintained company car and driver, medical coverage for the Group Chief Executive Officer and his family, and social club memberships
- A one-off contract renewal fee

The Group Chief Executive Officer's existing service contract is expiring on 1 September 2009. The non-interested Directors have reviewed and approved a new Contract of Service for the Group Chief Executive Officer for a further term of 2 years commencing from 2 September 2009 to 1 September 2011 which may be extended for a further 1 year from its expiry on such terms and conditions as may be mutually agreed upon. Either party may terminate the Contract by giving 12 months' prior written notice.

## Corporate Governance Statement

### Elements of Remuneration of Non-Executive Directors

The remuneration structure is as follows:

- Fees for duties as Directors and additional fees for undertaking responsibilities as Chairman, Senior Independent Director or member of Board Committees
- Meeting allowances

The Chairman of the Board is also entitled to a fixed allowance and the services of a driver.

Details of Directors' remuneration for the financial year ended 31 January 2009 are set out below:

### Aggregate Remuneration

	Fees (RM'000)	Other Emoluments* (RM'000)	Share Based Payment (RM'000)	Defined Contribution Plan (RM'000)	Total (RM'000)
<b>Non-Executive</b>					
Dato' Haji Badri Haji Masri	270	187	n/a	n/a	457
Dato' Mohamed Khadar Merican	228	35	n/a	n/a	263
Bernard Anthony Cragg	503	58	n/a	n/a	561
Chin Kwai Yoong	218	35	n/a	n/a	253
	Fees (RM'000)	Salary and Emoluments** (RM'000)	Share Based Payment (RM'000)	Defined Contribution Plan (RM'000)	Total (RM'000)
<b>Executive</b>					
Ralph Marshall	n/a	2,318**	1,790	330	4,438
	1,219	2,632	1,790	330	5,971

\* Inclusive of allowances and/or benefits-in-kind.

\*\* Inclusive of salary, bonus and benefits-in-kind.

### Analysis of Remuneration

Range of Remuneration	No. of Directors	
	Executive	Non-Executive
RM250,001 – RM300,000	–	2
RM450,001 – RM500,000	–	1
RM550,001 – RM600,000	–	1
RM4,400,001 – RM4,450,000	1	–

## 2. SHAREHOLDERS AND INVESTORS

### 2.1 Communication with Shareholders and Investor Relations

The Board is committed to providing investors accurate, useful and timely information about the Group, its businesses and its activities. The Group regularly communicates with the investor community in conformity with disclosure requirements. The Chairman of the Board and the Group Chief Executive Officer are representatives of major shareholders and constant communication between them and the rest of the Board ensures that views of these major shareholders are known and understood. The Board believes that clear and consistent communication with investors encourages a better appreciation of the Company's business and activities, reduces share price volatility, and allows the Company's business and prospects to be evaluated properly.

To this end, the Board obtains regular feedback from key senior management and the investor relations team who dialogue with institutional investors on an ongoing basis throughout the year. These dialogues include telephone conferences with analysts and fund managers after the announcement of the Group's quarterly financial results and participation in non-deal road shows and key investor conferences overseas. Media coverage on the Group and senior management is also initiated proactively at regular intervals to provide wider publicity and improve the understanding of the Group's business. Pertinent information on the Group is available on the Company's website at [www.astroplc.com](http://www.astroplc.com) and in the Annual Report.

The Group maintains strict confidentiality and employs best efforts to ensure that no disclosure of material information is made on a selective basis to any individuals unless such information has previously been fully disclosed and announced to the relevant regulatory authorities. With this philosophy in mind, the Board views the AGM as the primary forum to communicate with shareholders. The Company will convene its sixth AGM on 20 July 2009 during which shareholders will have the opportunity to direct their questions to the Board.

The Board encourages other channels of communication with shareholders. For this purpose, the Board has identified Dato' Mohamed Khadar Merican as the Senior Independent Director to whom queries or concerns regarding the Group may be conveyed. Dato' Mohamed Khadar Merican can be contacted via the following channels:

Post : Dato' Mohamed Khadar Merican  
c/o Corporate Secretarial Department  
3rd Floor, All Asia Broadcast Centre  
Technology Park Malaysia  
Lebuhraya Puchong-Sungai Besi  
57000 Kuala Lumpur  
Fax : (603) 9543-6877  
E-mail : [dato.khadar@investor-concerns.com](mailto:dato.khadar@investor-concerns.com)

Investors may also direct their queries to:

Rita Foo, Manager, Investor Relations  
Tel : (603) 9543-6688  
Fax : (603) 9543-6877  
Email : [ir@astroplc.com](mailto:ir@astroplc.com)

## Corporate Governance Statement

### 3. ACCOUNTABILITY AND AUDIT

#### 3.1 Financial Reporting

The Board is responsible for presenting a clear, balanced and comprehensive assessment of the Group's financial position, performance and prospects each time it releases its quarterly and annual financial statements to its shareholders. The Board is responsible for ensuring that the financial statements give a true and fair view of the results of operations and the financial state of affairs of the Group.

The financial statements of the Group and Company are required to be prepared in compliance with International Financial Reporting Standards. The Statement of Directors' Responsibilities is set out on Page 55 of this Annual Report.

#### 3.2 Internal Control

The Statement on Internal Control provides an overview of the state of internal controls within the Group and is set out on Pages 48 to 49 of this Annual Report.

#### 3.3 Relationship with the Auditors

The Audit Committee's role with respect to internal and external auditors is described in the Audit Committee Report set out on Pages 46 to 47 of this Annual Report.