

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6084
COMPANY NAME : STAR MEDIA GROUP BERHAD
FINANCIAL YEAR : December 31, 2019

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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>The Board of Directors ("Board") of Star Media Group Berhad ("Star Media" or "the Company") is responsible in determining the strategic direction of the Company thereby ensuring the delivery of sustainable value to its shareholders and stakeholders. The Board assumes, among others, the following principal roles and responsibilities in discharging its duties and responsibilities:</p> <p>(a) <u>Reviewing, approving and monitoring the overall strategies and direction of the Group</u></p> <p>The Board reviews and adopts strategic plans for the Company and its subsidiaries (collectively referred to as the "Group") periodically. The Board also follows up with Management regularly to review/discuss the development of the proposed strategic plans implemented to ensure the objectives are met.</p> <p>(b) <u>Overseeing and evaluating the conduct and performance of the Company and Group's businesses</u></p> <p>The Group Chief Executive Officer ("Group CEO") is responsible for the day-to-day management of the Group operations and business as well as implementation of business plans and strategies, policies and decisions approved by the Board. The Group CEO is supported by a Management Team whose members are tasked to oversee key operating areas within the Group.</p> <p>The Board monitors the financial and operational progress of the Group via the monthly financial reports sent to Board members and updates from Management at the quarterly board meetings on the progress of implementation of the Company's strategic initiatives and other operational issues.</p>

(c) Oversight of risk management and internal control

The Board through Audit Committee (“AC”) is responsible for the risk oversight and review of the adequacy of compliance and control throughout the Group.

The AC reviews the updated risk report and risk profile of the Group at each meeting to ensure that appropriate internal controls and adequate risk mitigating measures are in place.

The Board is also ultimately responsible for the adequacy and integrity of the Company’s internal control system, which are managed and monitored by the Internal Audit Department. The Head of Internal Audit presents the internal audit report comprising significant audit findings, Management’s feedback on the findings discovered and progress report of the rectification and improvement to the internal control system at quarterly AC meetings. The annual IA plan outlining the audit assignments for the year is also tabled and approved by the AC.

Details of the Company’s risk management framework and internal audit function are set out in the Statement on Risk Management and Internal Control in the Annual Report 2019.

There are matters which are specifically reserved for the Board for its deliberation and decision to ensure the direction and control of the Group’s businesses are vested in its hands.

The Board has delegated specific responsibilities to three (3) Board Committees, namely AC, Nomination Committee (“NC”) and Remuneration Committee (“RC”). These Board Committees operate under clearly defined roles and responsibilities as set out in the respective Terms of Reference. They have authority to deal with particular issues and report to the Board with their respective recommendations.

In terms of values and ethical standards of the Group, all Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group’s policies.

The Board also values dialogue with stakeholders and appreciates the keen interest of shareholders on the Company’s performance. In this regard, the Board ensures timely and relevant information about the Company is disseminated to stakeholders via different platforms such as press write-up, web and analyst briefings. The guidance in the Corporate Disclosure Guide is strictly observed by the Board and Management when communicate with stakeholders.

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 1.2

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>The roles and responsibilities of the Chairman are set out in the Board Charter, which is available on the Company's website at www.starmediatgroup.my.</p> <p>The Chairman of the Board, Dato' Fu Ah Kiow plays a key role in leading and ensuring the adequacy and effectiveness of the Board's performance and governance practices. He works closely with the Board members in formulating the policy framework and strategies.</p> <p>The Chairman with the assistance of the Company Secretary sets the board agenda for each meeting based on the dates of scheduled Board meetings in the annual meeting calendar, and the same is circulated to the Board members accordingly.</p> <p>During deliberations at the board meetings, the Chairman provides his objective views and regularly seeks the opinions of Board members on matters being discussed during meetings and ensures that the decisions made are a representation of the Board as a whole.</p> <p>The good leadership of the Chairman is acknowledged by the rating that is above average by other Directors on board via the annual Board Effectiveness Evaluation conducted for the financial year 2019.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of a clear division of responsibilities between the Chairman and the Group CEO to ensure a balance of power and authority. Descriptions of the roles of the Chairman and Group CEO are provided in the Board Charter, which is available on Star Media's website at www.starmedigroup.my.</p> <p>The positions of Chairman and Group CEO are held by two different individuals. The Chairman, Dato' Fu Ah Kiow leads and manages the Board and is responsible for the effective performance of the Board. The Chairman also responsible for the orderly conduct of the Board meetings and ensures the smooth functioning of the Board by focusing on strategy, governance and compliance. Mr. Andreas Vogiatzakis, the Group CEO manages the business and operations of the Company and implements the Board's decisions. The Group CEO also leads the management meetings to ensure the Group's businesses are progressing in line with strategy and commercial objectives agreed by the Board and encourages active engagement and participation by Management. Townhall sessions were held by the Group CEO from time to time to keep all employees updated on the progress update and important matters of the Company and Group.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretary of Star Media, Ms. Hoh Yik Siew has the requisite credentials and she is a qualified Chartered Secretary and Associate members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (MAICSA).</p> <p>The Company Secretary plays significant role in supporting the Board for ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with.</p> <p>The Board has unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Company Secretary, whose appointment and removal are subject to Board's approval, advised the Board on matters including corporate governance issues and Directors' responsibilities in complying with relevant regulations as well as updates on regulatory changes. The Company Secretary also provides support to the Board on adherence to Board policies and procedures.</p> <p>The Company Secretary prepares meeting agenda in consultation with the Chairman of the Board and Board Committees respectively, compiles and circulates meeting materials, attends all meetings and ensures the salient discussions/deliberations during meetings are accurately recorded in the minutes and properly maintained. The Company Secretary also facilitates proper communications and ensures the effective flow of information between the Board, Board Committees and the relevant Key Management. The Company Secretary further ensures that outstanding action items are updated by the relevant Heads of Departments and reported to the Board and Board Committees accordingly at the following meetings. Action items would stay as matters arising in the minutes of meetings until they are resolved.</p> <p>All new Directors appointed to the Board will receive a formal induction programme to be provided by the Management which is arranged through the Company Secretary. To supplement the programme, an information kit will be furnished by the Company Secretary immediately upon a Director's appointment containing information such as disclosure obligations of a director, Board Charter,</p>

	<p>Annual Report, schedule of meetings and etc. The Company Secretary also provides one-to-one session to introduce the paperless meeting solution in the form of a digital app for instantaneous delivery of board and meeting packs which can be accessed online and offline from any location.</p> <p>For the meetings of shareholders of the Company particularly the AGM, the Company Secretary plays an important role in ensuring that the processes and proceedings are properly managed. During the meeting, the Company Secretary will assist the Chairman and the Board to conduct the meeting and ensure the minutes are properly recorded, particularly the questions and concerns raised by the shareholders/proxies.</p> <p>The Company Secretary also facilitates the Board in conducting the annual Board Performance Evaluation and prepares the relevant forms on the assessment of the performance of Board and Board Committees as well as the checklist on the independence of the Independent Non-Executive Directors of the Company. The questionnaires are refreshed annually to continuously engage the Directors' perspective on relevant areas and the assessment is conducted via electronic means. The Secretary collates the results and compiles the assessment for tabling at the NC and Board Meetings.</p> <p>The Company Secretary arranges for the Directors' attendance at the training programmes, which are conducted either in-house or by external parties and keeps a record of the training received by the Directors.</p> <p>The Company Secretary constantly keeps herself abreast of the current development in the regulatory framework and governance practices through attendance of relevant training programs and continuous development programs. For 2019, the Company Secretary had attended the relevant training programs including those organised by MAICSA and Bursa Malaysia Berhad.</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 1.5

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	:	<p>The annual meeting calendar is prepared and circulated in advance of each financial year to facilitate the Directors' time planning. The calendar provides Directors with all the Board and Board Committees meeting dates including the AGM.</p> <p>Notice of meeting is sent to Directors via email at least fourteen (14) days before the meeting. Prior to the Board and Board Committee meetings, a formal and structured agenda together with the agenda papers are forwarded to the Directors via electronic means at least five (5) business days prior to the meetings. This is to ensure that the Directors have sufficient time to read and prepare themselves. Exceptions may be made for certain ad-hoc or urgent instances when Directors unanimously consent to a shorter notice period and elapsed timeframe for the provision of agenda papers.</p> <p>During the year, Star continued its practice of distribution meeting materials and dissemination of relevant information such as the monthly financial reports to the Directors through a paperless meeting solution, a secured online portal through the use of an application on the tablet devices. This Board Management Software improves the efficiency of meeting processes, reduce paper usage and allows Directors to access papers in a timely and secure manner.</p> <p>Upon receipt of the completed meeting materials from Management, the Company Secretary ensures that the meeting papers are uploaded on ipads in a timely manner. Thereafter, the Directors will be notified via email of the meeting materials.</p> <p>The deliberations and decisions at Board and Board Committees meetings are minuted clearly and accurately. The minutes of meetings record the decisions, including the key deliberations, rationale for each decision and recommendation made, and any significant concerns or dissenting views. The minutes also indicates whether any interested Director has abstained from deliberation and voting on a particular matter that has conflicting interests with the said Director.</p> <p>The draft minutes of the meetings are circulated to the respective Chairman of the Board and Board Committee meetings as well as</p>

	<p>Group CEO and Group Chief Financial Officer (“Group CFO”) as soon as practicable for their review. The action items identified and highlighted during meetings are conveyed to the Management for their necessary action. Action items would stay as matters arising in the minutes of meetings until they are resolved.</p> <p>From time to time and where necessary, the Directors may, if necessary, obtain independent professional advice from external consultants at the Company’s expense, with consents from Chairman or Board Committee Chairman, as the case may be.</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

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>The Board Charter serves as a primary reference for prospective and existing Board Members of their fiduciary duties as Directors of Star Media and the functions of the Board Committees.</p> <p>The principal responsibilities of the Directors, Board and Board Committees, and duties and responsibilities of Chairman and Group CEO are formally documented in the Board Charter. It also outlines the specific key matters which are reserved for the Board's consideration and approval. The Board Reserved Matters include annual budget and strategic plans of the Group, material funding proposals, investments, acquisition and divestments and changes in the key policies and procedures.</p> <p>The Board Charter is periodically reviewed by the Board to ensure that it remains consistent with the Board's objectives, relevant regulations and best practices.</p> <p>The Board Charter is made available on the Company's corporate website at www.starmediagroup.my.</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 3.1

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>The Board has adopted and implemented a Code of Conduct and Ethics ("CCE") that reflects the Company's vision and core values. The CCE set forth the relevant guidelines in dealing with employees, customers and business associates, work environment, company assets, conflict of interest and etc.</p> <p>The Company has in place a separate code of conduct and ethics for Directors and employees of the Company.</p> <p>The Board is mindful of its leadership in business ethics practices as one of the key elements of business sustainability. The CCE for Directors which are part of the adopted Board Charter, provides principles and standards relating to Directors' fiduciary duty to act in public interest and best interest of the Group.</p> <p>In addition, the Board is provided guidance on disclosure of conflicts of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests for the Company's monitoring on a half yearly basis or as and when required.</p> <p>Notices on the closed period for trading in the Company's shares are sent to Directors and principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the Listing Requirements of Bursa Securities.</p>

	<p>The CCE for Employees are stipulated in the Employee Handbook in the Company's portal system. The CCE for employees promotes integrity and ethical conduct/behaviour in all aspects of the Company's operations, including privacy and confidentiality of information and sets out the prohibited activities or misconduct involving gifts, gratuities, bribes, dishonest behaviour and sexual harassment.</p> <p>The Directors and employees are expected to behave ethically and professionally at all times and protect and promote the reputation and performance of the Company. The Group communicates its CCE to all its Directors and employees upon their appointment or employment.</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>The Board has in place a Whistleblowing Policy which provides a mechanism for officers and employees of the Company to report instances of unethical behaviour, actual or suspected fraud or dishonesty or violation of the Company's Code or ethics policy.</p> <p>The Whistleblowing Policy outlines avenues for employees to raise legitimate concerns relating to potential breaches of business conduct, non-compliance with legal and regulatory requirements as well as other malpractices.</p> <p>The Board vide the Whistleblowing Policy emphasizes good faith in reporting, protection from reprisal as well as anonymity of the whistleblower's identity. All such concerns and communications made in good faith that discloses information that may evidence unethical activity would be addressed to either the Head of Internal Audit or Chairman of the AC if the concerns cannot be resolved through the normal reporting lines and procedures. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation.</p> <p>The Whistleblowing Policy as well as the relevant procedures are revised by the Board as and when necessary.</p> <p>The details pertaining to the Whistleblowing Policy and Procedures are shared on the Company's staff portal.</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	:	Applied
Explanation on application of the practice	:	<p>During the financial year under review, the Board of Star Media has five (5) Independent Non-Executive Directors which is equivalent to 71% of the composition of the Board, as follows:</p> <p>(a) Five (5) Independent Non-Executive Directors; and (b) Two (2) Non-Independent Non-Executive Directors.</p> <p>The presence of majority Independent Directors brings the element of detached impartiality to the oversight function of the Board. Their presence allows the Board to apply heightened professional scepticism and challenge Management in an unbiased manner and prevent dominance and complacency in the boardroom.</p> <p>The NC reviews the independence of the Directors annually according to the criteria of “independence” as defined in Paragraph 1.01 of the Listing Requirements of Bursa Securities and Practice Notes of Listing Requirements. In addition to the annual review by the NC of the Directors’ independence, each INED also submits an annual declaration regarding his/her independence.</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

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	:	

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>The Board has delegated the responsibility to NC for assessing and recommending to the Board on the suitability of candidates who are nominated for appointment of members of the Board, Board Committees as well as Senior Management but the ultimate decision on the appointment of candidates is solely that of the Board as a whole.</p> <p>The NC consider among others, the Board’s skills, experiences, capabilities, expected contribution and time commitment, independence (where applicable), diversity as well as competencies to meet the evolving need of the Group.</p> <p>In selecting potential candidates for Senior Management, the Board and NC will consider candidates who demonstrate among others, key competencies and experience required at top management level to lead their team. The Board is committed to nurture diversity within the Group where women candidates are also sought and considered as part of the recruitment exercise.</p> <p>The Board alongside the NC also undertake periodic reviews of the constitution of the Board members and Key Management personnel to ensure their contributions are relevant and they are performing their roles effectively.</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

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	:	Applied
Explanation on application of the practice	:	<p>The Board believes that the appointments of the existing Directors were guided by their skills, experience, competency and wealth of knowledge while taking into consideration gender diversity.</p> <p>The disclosures on the Company's policies on gender diversity, its targets and measures to meet those targets are made available in the Corporate Governance Overview Statement of the Annual Report.</p> <p>During the financial year under review, one (1) woman on the Board, namely Madam Wong You Fong representing 14% of the Board Composition. The Board takes note of the minimum 30% requirement of women directors on Board for good practice and this will be one of the considerations for future appointment of directors of the Company.</p> <p>The Board is also committed to providing fair and equal opportunities and nurturing diversity at the Senior Management level. In selecting possible candidates for Senior Management, the Board and NC will also consider candidates who demonstrate, amongst others, the key competencies, experience and qualifications required at top management level. Currently, approximately half of the Senior Management positions of the Group are held by women. This will also serve a vital talent pipeline to the board.</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

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	:	<p>The process for the appointment of new Director adopted by the Company was disclosed in the Corporate Governance Overview Statement in the Annual Report 2019.</p> <p>The NC is guided by its Terms of Reference in carrying out its responsibilities in respect of the nomination, selection and appointment process in Star Media.</p> <p>In identifying suitably qualified candidates for appointment to the Board of Directors, the Board relies on the recommendations by existing board members, Management and/or major shareholder who either know the candidates themselves or are business associates with capabilities and experience that are sought by the Group.</p> <p>Aside from that, the NC has the authority to obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary.</p> <p>The appointment of the Independent Director during the year was based on the above after considering the Director's professional background, experience, skills and expertise. The proposed candidate will also be required to confirm that he meets the criteria for an independent director as prescribed in the Listing Requirements of Bursa Securities and its Practice Note 13 prior to recommending to the Board for approval of his proposed appointment as an Independent Non-Executive Director.</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	:		
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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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Currently, the NC is chaired by a Non-Independent Non-Executive Director, Tan Sri Kuan Peng Soon.
		The Board acknowledges that the efficacy of the NC to a large extent hinges on the effectiveness of its Chairman. In this regard, the Board is confident that Tan Sri Kuan Peng Soon, given his vast experience in the corporate sector and leadership qualities, would be well-placed to lead the succession planning and appointment of Board members and Senior Management members as well as the annual review of the Board effectiveness.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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>The Board has adopted a formal and objective annual evaluation of the Board, Board Committees and Directors' performance. The annual evaluation process to review among others, the effectiveness of the Board as a whole, the contribution of each individual Director, independence of the Independent Non-Executive Directors and the Board's mix of skills, is led by the NC Chairman and facilitated by the Company Secretary.</p> <p>The Board Effectiveness Evaluation was conducted by way of questionnaires was issued to the Board and Board Committee members. The scope of the board evaluation covers various areas which include the following:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Dimensions</th> <th style="width: 50%;">Key Areas</th> </tr> </thead> <tbody> <tr> <td>Board and Board Committee Effectiveness</td> <td> <ul style="list-style-type: none"> - Board mix and composition - Quality of information and decision making - Boardroom activities </td> </tr> <tr> <td>Directors' Self Evaluation</td> <td> <ul style="list-style-type: none"> - Board mix of skills - Contribution and performance - Calibre and personality </td> </tr> </tbody> </table> <p>The evaluation of the contribution and performance of the individual Director and the effectiveness of Board as a whole and the performance of the Board Committees was based on self-review assessment. The outcome of the assessment was tabled at the NC and Board Meetings for review and discussion. All assessment and evaluation carried out were properly documented.</p> <p>Based on the results of the annual performance assessment carried out for the FYE 2019, the Board was generally satisfied that the size and composition of the Board are optimum with appropriate mix of knowledge, skills, attributes and core competencies. The Board has been able to discharge its duties professionally and effectively in consideration of the scale and breath of the operations. The Directors</p>	Dimensions	Key Areas	Board and Board Committee Effectiveness	<ul style="list-style-type: none"> - Board mix and composition - Quality of information and decision making - Boardroom activities 	Directors' Self Evaluation	<ul style="list-style-type: none"> - Board mix of skills - Contribution and performance - Calibre and personality
Dimensions	Key Areas						
Board and Board Committee Effectiveness	<ul style="list-style-type: none"> - Board mix and composition - Quality of information and decision making - Boardroom activities 						
Directors' Self Evaluation	<ul style="list-style-type: none"> - Board mix of skills - Contribution and performance - Calibre and personality 						

	had also committed the time necessary to responsibly fulfil their commitment to the Company and Group during the year.	
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	<p>The Board recognises that a comprehensive and fair remuneration package should be in place to retain and attract Directors and Senior Management. In this regard, the Board established a formal and transparent process for approving the remuneration of the Board and Board Committees. The RC reviews the remuneration policy for the members of the Board, Board Committees and the Group CEO as well as Senior Management annually prior to recommending to the Board for approval. The component parts of remuneration for the Group CEO are structured so as to link rewards to corporate and individual performance. The remuneration policy is encapsulated in the Board Charter, which is made available on the Company's website.</p> <p>The remuneration of Non-Executive Directors ("NEDs") is structured according to the overall performance of the Company and commensurate with their level of responsibilities. The Company also reimburses relevant expenses incurred by the Directors in the course of their duties and functions. The remuneration of NEDs consists of fixed Directors' fees for serving as members of the Board and Board Committees. In recognition of the additional time and commitment required, the Chairman of the Board and each Board Committees also receive an annual fixed allowance for his chairmanship in the Board and respective Board Committees. In addition to the fixed annual Directors fees, all NEDS are paid a meeting attendance allowance for each meeting attended. The additional benefits offered to NEDS are hospitalisation and surgical insurance coverage and use of a Club membership at Company's expense, if so required, in accordance with the Company's policies.</p> <p>Section 230(1) of the Companies Act 2016 stipulates among others that the fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. As agreed by the Board, the shareholders' approval shall be sought at the 48th AGM on the NEDs remuneration through two (2) separate resolutions as follows:</p>

	<p>(i) Ordinary Resolution 3 on payment of NEDs' fees of RM700,000 for the financial year ended 31 December 2019; and</p> <p>(ii) Ordinary Resolution 4 on the payment of benefits to the NEDs amounting to RM500,000 from the 48th AGM until the next AGM of the Company.</p> <p>RC also reviews the remuneration packages of the Group's key management personnel annually taking into consideration, the Company's/Group's performance, the individual performance against key performance indicators determined as well as the required qualification, skills and experience and comparable market statistics. The remuneration package for the key management personnel is also subject to Board's approval.</p> <p>All interested parties abstain from deliberation or voting on decision in respect of their own remuneration.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	The RC was established by the Board and comprises mainly NEDs. Their main responsibility is to assist the Board in assessing and recommending the remuneration packages of the Directors and Key Management of the Company and subsidiaries of the Company. The RC's authority, duties and responsibilities are clearly defined in its Terms of Reference, which is assessible on the Company's website at www.starmediatgroup.my .
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	:	The detailed disclosure on named basis for the remuneration of the individual directors are set out in page 42 of the Company's Annual Report 2019.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 7.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Due to confidentiality and sensitivity of the information, the Company departs from this Practice. Nevertheless, the aggregate amount of remuneration/compensation of key management personnel was disclosed under Note 28(c) to the Audited Financial Statements for the year ended 31 December 2019.
		The Board ensures that the remuneration of the Senior Management commensurate with their individual performance, taking into consideration of the Company's performance and achievement of key performance indicators.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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	:	<p>The Chairman of AC is Mr Chan Seng Fatt, an Independent Non-Executive Director whilst the chairman of the Board is Dato' Fu Ah Kiow.</p> <p>The composition of AC is as follows:</p> <ul style="list-style-type: none">a) Mr Chan Seng Fatt (Independent Non-Executive Director) – Chairmanb) Mr Choong Tuck Oon (Independent Non-Executive Director) – Memberc) Mr Loh Chee Can (Independent Non-Executive Director) – Memberd) Dato' Dr Mohd Aminuddin Bin Mohd Rouse (Non-Independent Non-Executive Director) - Member
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	:	<p>The Company has always recognised the need to uphold independence. None of the members of the Board were former key audit partners.</p> <p>The Company has in place a policy not to consider a former audit partner as a candidate for appointment as member of the AC. This is to ensure that the objectivity, independence and effectiveness of external auditors are maintained. So far, none of the current members of the AC had been associated with nor have they held any senior leadership position with the Group's appointed external auditors in the past two (2) years.</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 8.3

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>The AC is assigned to assess, review and supervise the performance, suitability, objectivity and independence of the external auditor. This responsibility is encapsulated in the AC's Terms of Reference. Under its Terms of Reference, the review process covers the assessment of the independence of the external auditor, the evaluation of their performance, quality of work, audit fees and adequacy resources.</p> <p>The AC meets with the external auditors at least twice a year to discuss their audit plans and audit findings in relation to the Group's financial statements. During the year under review, the AC met with the external auditors, BDO PLT twice, in the absence of the Management. For the audit of the financial year ended 31 December 2019, the AC reviewed non-audit services provided by the affiliated companies of BDO PLT and monitored the fee of total non-audit work carried out by them with the main objective of ensuring there was no impairment of independency or objectivity.</p> <p>On 27 November 2019, the External Auditor, BDO PLT in its presentation on the Audit Plan to the AC, declared its independence in relation to its engagement as the External Auditor of the Group in accordance with the terms of the relevant professional and regulatory requirements in respect of the audited financial statements of the Group for the financial year ended 31 December 2019.</p> <p>Pursuant to the assessment on the suitability, objectivity and independence of the External Auditor, the Board had approved the recommendation for the shareholders' approval to be sought at the forthcoming AGM on the re-appointment of BDO PLT as the External Auditor of the Company.</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 :	

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>The AC is chaired by Mr Chan Seng Fatt who is a Chartered Accountant of Malaysia Institute of Accountants. He has more than thirty (30) years extensive experience covering various aspects of experience namely external and management auditing, financial management, corporate finance, stockbroking and senior level operation and general management.</p> <p>All the AC members are financially literate and possess the requisite knowledge and experience to discharge their functions effectively.</p> <p>All the AC members are aware of the need of continuously develop and enhance their knowledge in the area of accounting and auditing standards, given the changes and development in this area from time to time. In line with this, the AC members had during the financial year, attended various training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and keep abreast with the relevant changes in law, regulations, risk management and business environment. Details of the trainings or seminars attended by the AC members during the financial year ended 31 December 2019 are set out in the Corporate Governance Overview Statement.</p> <p>Based on the outcome of the Board Evaluation Assessment 2019, the Board was satisfied with the performance of the AC and its members in discharging their duties and responsibilities effectively.</p>
Explanation for departure	:	

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

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	:	<p>The Board is committed to maintaining a sound risk management framework and system of internal control to safeguard shareholders' investment and the Company's assets. In this respect, the Board through AC has put in place an Enterprise Risk Management framework to identify, evaluate and manage significant risks that may affect the Company and Group's business objectives.</p> <p>A Management level Committee, namely, the Risk Management Committee meets on a quarterly basis to review the risks identified and devise mitigation or management strategies. The Enterprise Risk Management unit, alongside the Group's operational managers, continuously identify, monitor and mitigate the risks and report the results to Management.</p> <p>The AC receives a quarterly report on the risk profiles of the Group and the status of progress towards mitigating the key risk areas. The AC is assisted by the Enterprise Risk Management unit in the overview and management of all identified risks. The Enterprise Risk Management is tasked to ensure that any identified risks are addressed, managed and mitigated on an ongoing basis. The Enterprise Risk Management unit will also review the risk management framework and monitors the effectiveness of risk management plans for the management and controls of the key risks.</p> <p>The Board and Management drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture.</p> <p>Regular risk awareness and coaching sessions are conducted at the operational level to promote the understanding of risk management principles and practices across different functions within the Group.</p> <p>In addition, a risk-based approach is embedded into existing key processes as well as new key projects and is compatible with the Group's internal control systems.</p> <p>To fulfill its oversight responsibility, the AC is committed to review the</p>

	<p>adequacy and effectiveness of the Group's internal control system to ensure that internal controls are adequately implemented to manage and minimise the occurrence of material misstatement, financial loss or fraud.</p> <p>The Statement on Risk Management and Internal Control which provides and overview of the risk management framework and state of internal controls within the Company and the Group is provided at pages 44 to 46 of the Annual Report 2019.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

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

Practice 9.2

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	:	The Board had disclosed the key features of Star Media’s risk management and internal control system, which cover their adequacy and effectiveness in the Statement on Risk Management and Internal Control in the Annual Report 2019.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	

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>The internal audit function is under the purview of Internal Audit Department and headed by the Head of Internal Audit who is independent and reports directly to the AC Chairman. The Internal Audit Department is accorded with appropriate standing and authority to facilitate the discharge of its duties. The Internal Audit Department has access to all relevant records, personnel and properties within the Group to carry out its work.</p> <p>The Internal Audit Department has adequate resources and appropriate standing to undertake its role in providing independent and objective assurance to the AC regarding the adequacy and effectiveness of the Group's systems of internal controls.</p> <p>The Internal Audit reports are issued to Management for their comments and to agree on action plans with deadlines to complete the necessary preventive and correction actions. The reports are presented to AC at the quarterly AC meeting for due deliberation to ensure that Management undertakes to carry out remedial actions. The Internal Audit Department also follows up on the status of internal findings to ascertain if all necessary actions are taken within the stipulated timeframe.</p> <p>The Head of Internal Audit meets with AC twice a year without the presence of the Management to provide feedback on the audit services, audit findings and any other related matters.</p> <p>The AC conducts annual assessment of the Internal Auditor's effectiveness which includes the assessment of the Internal Auditor's objectivity, competency and independence. The AC also considered the resources of the Internal Audit function in delivering the audit plan effectively, of which the AC opined that it is adequate.</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	:	<p>The Group’s Internal Audit Department is led by the Head of Internal Audit, Ms Chai Ming Jye. Ms Chai is a Fellow of the Association of Chartered Certified Accountants, a member of the Malaysian Institute of Accountants and a professional member of the Institute of Internal Auditors Malaysia. Her profile is stated under the “Key Management Profile” section in page 33 of the Annual Report 2019.</p> <p>There are four (4) staff under the Internal Audit Department including the Head of Internal Audit, with relevant skill, experience and qualifications. The Internal Audit Department undertakes to ensure that the staff are competent and adequately equipped in carrying out their duties and responsibilities by providing sufficient and relevant trainings. None of the internal audit personnel has any relationship or conflict of interest that could impair their objectivity and independence in conducting their audit. The Internal Audit Department adopts a risk-based audit approach towards the planning and conduct of audit for the Group.</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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of an effective and transparent communication with its stakeholders, institutional investors and investing public at large to provide a clear picture of the Group's performance and position as much as possible.</p> <p>The Company employs various communication platforms to reach out to shareholders and stakeholders. This includes among others, publications of Company's announcements including the Group's financial results and corporate proposals/developments, publication of annual report, issuance of press releases for significant events, holding of regular investors briefings and engaging with media, business partners and surrounding communities at various events.</p> <p>The Company has a dedicated investor relations function under the Corporate Communication Department which works closely with Group CEO and Group CFO to manage active dialogue with key institutional investors and analysts. The Group CEO and Group CFO together with Senior Management personnel also conduct regular engagement with analysts and fund managers on a regular basis. These engagements promote better appreciation and understanding of the Group's performance and strategic direction.</p> <p>The Board is committed to ensure that the shareholders and other stakeholders are well informed of major corporate developments of the Company and Group and the information is communicated to them through various channels such as annual reports, disclosures and announcements to Bursa Securities including quarterly results, media releases, posting on the Company's website and dialogues and presentations at the general meetings.</p> <p>The Company maintained its investor relations website at www.starmediagroup.my for shareholders and public to access information on, amongst others the Company's announcements to Bursa Securities, Annual Reports, minutes of shareholders' meetings, Board Charter and Terms of Reference for Board Committees. Continuous efforts have also been made to enhance the Company's website for ease of navigation and the content has been enriched to</p>

	<p>make it more informative.</p> <p>Shareholders and investors can make inquiries about investor relations matters via a dedicated email address at investor-relations@thestar.com.my.</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

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>Star Media is not a Large Company as defined by the Malaysian Code on Corporate Governance and as such, is not subjected to Practice 11.2.</p> <p>The current Annual Report of Star Media provides stakeholders with a fairly comprehensive overview on the Company’s financial and non-financial information, demonstrating how the Company’s strategy, actions, performance, governance and prospects lead to stakeholder value creation.</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>Star Media dispatched the notice of its 2020 AGM to shareholders at least 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act 2016 and the Listing Requirements of Bursa Securities. In addition to sending the notice, the notice of AGM is advertised in a nationally circulated newspaper alongside an announcement via Bursa LINK. The additional time given to shareholders is to allow them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys.</p> <p>The Notice of AGM outlines the resolutions to be tabled at the AGM and accompanied with detailed explanations for each resolution proposed, e.g. re-election of Directors, Directors' remuneration comprising Directors' fees and benefits, re-appointment of auditors, etc, to enable shareholders to make an informed decision in exercising their voting rights.</p> <p>The Company also provides an Administrative Note when issuing notice of the AGM to shareholders, which provides essential information on the administration and arrangement of the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors attended the 47th AGM of the Company which was held on 15 May 2019. Members of the Management team and external auditors were also present to respond to the relevant questions addressed to them.</p> <p>The proceedings of the AGM included the presentation of the Company's operations and financial performance during the year 2018, followed by a Questions & Answers session whereby the Chairman invited shareholders to raise questions pertaining to the Company's financial statements and other resolutions tabled at the meeting, before putting the resolutions to vote. The Chairman has always provided sufficient time and opportunities for the shareholders to raise questions and participate in the AGM.</p> <p>It is customary for the Company to provide feedback and responses to the shareholders' queries such as MSWG and institutional shareholders, save for sensitive information which may not be privy to public. Written responses will be given when necessary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has always given its utmost consideration to the location of the Company's general meetings to ensure it is convenient and easily accessible to the shareholders who are attending the meetings.</p> <p>The Company's AGM and other meetings of members are usually held at Menara Star at Petaling Jaya, Selangor which is easily accessible for those who drive or taking public transport. It is also where the Registered Office is situated.</p> <p>Shareholders who are unable to attend the general meetings are allowed to appoint proxy/proxies or Chairman of the meeting to vote on their behalf in their absence.</p> <p>The Company has adopted electronic voting for the conduct of poll on all resolutions tabled at the general meetings whereby electronic voting devices are deployed to provide a more efficient voting process and accurate outcome of the results.</p> <p>In compliance with the Practice, the Company has amended its Constitution to state that the Company may convene a meeting of Members at more than one venue using any technology or method that enables the Members of the Company to participate and to exercise the Members' right to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue.</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	:	