



BOARD CHARTER

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1. PREAMBLE

The Board of Directors of Star Media Group Berhad (“Company” or Star”) recognizes the importance of corporate governance and is committed to apply the practices in the Malaysian Code of Corporate Governance (“MCCG” or the “Code”) so as to enhance the Company’s and its subsidiaries’ (the “Group”) accountability, transparency and sustainability, in safeguarding the interest of all stakeholders as well as enhancing the shareholders’ value and financial performance of the Group.

2. OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of, the Company.

The Board Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. Just as each organisation has its own corporate culture, the dynamics of each Board are unique. The dynamics shift as the composition of the Board changes, and the Directors of the Company should always be open to new opportunities and ready to confront new challenges brought about by the changes.

3. THE BOARD

The Company is led and controlled by the Board which assumes overall responsibility for corporate governance, strategic direction and investments made by the Group.

3.1 Size and Composition

- a) The Company's Articles of Association allow a minimum of two (2) and a maximum of fifteen (15) Directors. The Board shall, from time to time, examine its size with a view to determine the impact of its number upon its effectiveness.
- b) The Board composition shall reflect a balanced mix of suitably qualified and experienced professionals who bring with them a broad range of skills, experience and knowledge required to successfully direct and supervise the Company's business activities.
- c) The Board also recognises the importance of independence and objectivity in the decision making process. At least one-third of the Board shall consist of Independent Non-Executive Directors or a minimum of two (2), whichever is the higher. MCCG recommends that at least half of the board comprises independent directors.
- d) The Independent Directors help to ensure that the interests of all shareholders, and not only just the interests of a particular fraction or group, are taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
- e) The Board identifies and appoints from amongst its members, a Senior Independent Non-Executive Director ("SID") to whom the concerns of Directors and shareholders of the Company may be conveyed. The role of SID includes acting as a sounding board for the Chairman, an intermediary for other directors, when necessary and the point of contact for shareholders and other stakeholders.

3.2 Appointment and Re-election

- a) The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee. In making these recommendations, the Nomination Committee will consider the required mix of skills, experience and diversity, including gender where appropriate, which the Directors bring to the Board.

- b) The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- c) In accordance with the Company's Articles of Association, at least one third of the Directors shall retire from office every year provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election in the Annual General Meeting.

3.3 Independent Directors

- a) The Independent Non-Executive Directors fulfill a pivotal role in corporate accountability by providing independent view, advice and judgment to ensure a balanced and unbiased decision making process so that the long term interests of all stakeholders are well protected.
- b) The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. The views of the Independent Directors should carry significant weight in the Board's decision-making process.
- c) In the event the Director is to remain designated as an Independent Director, the Board shall first justify and obtain shareholders' approval.

3.4 Directors' Assessment/Board Evaluation

- a) The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Board reviews and evaluates its own performance, the performance of its Committees as well as the performance of Senior Management on an annual basis.
- b) The Board also undertakes to assess the independence of the Independent Directors annually.

3.5 Duties and Responsibilities

3.5.1 Board's Duties and Responsibilities

The Board assumes, amongst others, the following duties and responsibilities:

- i) reviewing, approving and monitoring the overall strategies and direction of the Company and Group, including sustainability of the Company and Group's businesses;
- ii) overseeing and evaluating the conduct and performance of the Company and Group's businesses;
- iii) identifying and managing principal risks facing the Company and Group and ensuring the implementation of appropriate systems to manage these risks in an appropriate manner;
- iv) reviewing the adequacy of the Group's internal control policy;
- iv) ensuring appropriate corporate disclosure policy and procedures are in place for effective dissemination of information which is comprehensive, accurate and timely, and leverage on information technology, where applicable;
- v) reviewing and monitoring the systems of risk management and internal controls, continuous disclosure, legal and regulatory compliance and other significant corporate policies; and
- vi) establishing succession planning, including fixing the compensation of the Board and Senior Management.

3.5.2 Matters Reserved For The Board

The following are matters which are specifically reserved for the Board:

- i) corporate plans and new ventures;
- ii) conflict of interest issues relating to a substantial shareholder or a Director;
- iii) material acquisitions and disposition of assets;
- iv) investments in capital projects;
- v) risk management policies;
- vi) authority levels;
- vii) key human resource issues; and
- vi) corporate announcement to regulators

3.5.2 Responsibilities between the Chairman and the Group Managing Director/Chief Executive Officer (“GMD/CEO”)

There is a clear division of responsibilities between the Chairman and the GMD/CEO to ensure a balance of power and authority. The Chairman is responsible in ensuring Board effectiveness and standard of conduct whilst the management of the Group’s businesses, implementation of policies and the day-to-day running of the businesses are the responsibilities of the GMD/CEO.

The responsibilities of the Chairman, amongst others, are as follows:

- a) Managing board meetings to ensure robust decision-making by
 - Setting the agenda for each board meeting, together with the GMD/ CEO and the Company Secretary, and ensure all relevant issues are on the agenda.
 - Ensure the provision of accurate, timely and clear information to Directors.
 - Ensure all Directors are properly briefed on issues arising at board meetings; and
 - Ensure sufficient time is allowed for discussion of complex or contentious issues.
- b) Leading the Board and is responsible for the effective performance of the Board;
- c) Ensuring constructive relations be maintained between Executive and Non-Executive Directors; and
- d) Ensuring effective communications with shareholders and relevant stakeholders.

The responsibilities of the GMD/CEO, amongst others, are as follows:

- a) overseeing the day-to-day operations to ensure the smooth and effective running of the Group;
- b) setting the overall strategic policy and direction of the Group’s business operations based on effective risk management controls;

- c) ensuring that the financial management practice is performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations;
- d) providing effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations;
- e) acting as main conduit between the Board and Management in ensuring the success of the Company's governance and management functions; and
- f) implementing the policies, strategies and decisions adopted by the Board.

3.6 Board Meetings

- a) An annual meeting calendar is prepared and circulated in advance of each new year to enable the Directors to plan their schedules accordingly. The Board meets at least five (5) times in a year with additional meetings being convened as and when necessary.
- b) Prior to the Board meetings, all Directors will receive the agenda together with detailed board papers containing information relevant to the businesses of the meeting. This allows the Directors to obtain further explanations/clarifications from management, where necessary, to facilitate informed decision making.
- c) Technology is effectively used in the Board meetings and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.
- d) Senior Management and external advisers may be invited at the Board meetings when necessary, to furnish the Board with explanation and comments on the relevant agenda.
- e) Besides these Board meetings, the Board shall also exercises control on matters that require its approval by way of circular resolutions with sufficient information required to make an informed decision.

Proceedings of the relevant meetings and the resolutions reached shall be properly recorded and duly minuted.

3.7 Board Committees

The Board delegates certain responsibilities to the Board Committees, all of which operate within defined Terms of Reference to assist the Board in the execution of its duties and responsibilities. Independent and Non-Executive Directors play a leading role in these Committees. The Board Committees include:

- a) Audit Committee
- b) Nomination Committee
- c) Remuneration Committee
- d) Finance Committee

These Committees are tasked to examine specific areas and issues and report to the Board on their deliberations together with recommendations. However, the ultimate responsibility for the final decision on all matters lies with the Board.

3.7.1 Audit Committee

The Audit Committee assists and supports the Board's responsibility to oversee the Group's operations by providing a means for review of the Group's financial results/statements, the adequacy and effectiveness of the system of internal control, risk management activities and independence of the Group's external and internal auditors.

3.7.2 Nomination Committee

The Nomination Committee oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director. The Committee also reviews and considers the proposals by

Management on the appointment/promotion/re-designation of key management personnel of the Group.

An effective Nomination Committee will contribute towards ensuring that the Board composition meets the needs of the Company.

3.7.3 Remuneration Committee

The Remuneration Committee is primarily responsible for recommending to the Board the remuneration of Executive and Non-Executive Directors as well as the key management personnel of the Group, in all its forms, drawing from outside advice if necessary.

3.7.4 Finance Committee

The primary function of the Finance Committee is to review and evaluate investment and strategic proposals and thereafter make appropriate recommendations to the Board.

3.8 Directors' Training and Continuing Education

- a) The Group acknowledges that continuous education is vital for the Board members to gain insight into the state of economy especially in relation to the industry, technological advances, regulatory updates and management strategies to enhance the Board's skills and knowledge in discharging its responsibilities.
- b) All Directors appointed to the Board, apart from attending the Mandatory Accreditation Programme accredited by Bursa Securities, shall continue to attend other relevant trainings and seminars organised by the relevant regulatory and professional bodies to further enhance their business acumen and professionalism in discharging their duties to the Group.
- c) The Board will assess the training needs of the Directors from time to time. The Board shall disclose in the Annual Report the trainings attended by the Directors.

4. COMPANY SECRETARY

- a) The Board shall appoint the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

- b) The Company Secretaries appointed should be suitably qualified and competent in order to support the Board in carrying out its roles and responsibilities.
- c) All Directors shall have full access to the advice and services of the Company Secretaries who ensure that Board procedures are adhered to at all times and advise the Board on matters including corporate governance issues, and Directors' responsibilities in complying with relevant legislation and regulations.

5. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

- a) The Directors shall have full and unrestricted access to all information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties.
- b) All directors may also obtain independent professional advice, at the Company's expense, if required, in furtherance of their duties.

6. INVESTOR RELATIONS AND STAKEHOLDER COMMUNICATION

6.1 Communication between the Company and Investors

- a) The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.
- b) The Board ensures the timely release of announcements during the year such as the quarterly financial results, annual report, circulars and press releases to shareholders to provide shareholders with an overview of the Company's performance and operations.
- c) The GMD/CEO and Senior Management personnel participate regularly in discussions with financial analysts and fund managers from time to time, upon request, as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.

Dialogues and discussions with investors and analysts are conducted within the framework of the relevant Corporate

Disclosure Guide under the Bursa Securities Listing Requirements and comply with the Best Practices in Corporate Disclosure published by the Malaysian Institute of Chartered Secretaries and Administrators.

- d) Whilst the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Board is mindful of ensuring all shareholders are treated fairly and equitably. Hence, unpublished price sensitive information about the Company will not be disclosed on an individual or selective basis to any person unless otherwise required by law.
- e) The Company's website, www.starmediagroup.my provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

6.2 General Meetings

- a) The Annual General Meeting ("AGM") of the Company serves as the principal forum that provides the opportunity for shareholders to raise questions pertaining to issues in the Annual Report, Audited Financial Statements, and corporate developments in the Group, the resolutions being proposed and on the businesses of the Group.
- b) The Chairman as well as the GMD/CEO and the external auditors, if so required, will respond to shareholders' questions during the meeting.
- c) All notices of general meetings are published within the stipulated timeline and announced to Bursa Securities accordingly and advertised in *The Star* newspaper. The full annual reports and circulars for shareholders are also available on the website of the Company and Bursa Securities.
- d) The Chairman encourages active participation by the shareholders during the general meetings.
- e) All resolutions set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, shall be voted by poll and votes are to be validated by at least one (1) independent scrutineer.

Votes cast for and against and the respective percentages, on each resolution are displayed to shareholders / proxies immediately after each poll conducted. The voting results of the general meetings are also be announced in a timely manner after the meeting via Bursa Securities.

7. ACCOUNTABILITY AND AUDIT

7.1 Financial Reporting

- a) The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results to shareholders as well as the Chairman's statement and the Management Discussion and Analysis (MD&A) in the annual report.
- b) The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

7.2 Internal Control and Risk Management

- a) The Board recognises the importance of a sound risk management and internal control system for good corporate governance. The Board acknowledges its overall responsibility for identifying principal risks within the Group and ensuring the implementation of appropriate systems to manage these risks, as well as reviewing the adequacy and integrity of the Group's internal control system.
- b) The Internal Audit ("IA") function is considered an integral part of the assurance framework within the Group. IA function plays an intermediary role in that it assists in the discharge of the oversight function which is delegated by the Board to the Audit Committee.
- c) The Company has a well-resourced internal audit function, which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the Audit Committee.

7.3 Relationship with Auditors

- a) The Board maintains a transparent relationship with its auditors

and seeks their professional advice to ensure that accounting standards are complied with. The Audit Committee discusses with the external auditors the nature and scope of the audit and reporting obligations before the audit commences.

- b) The Audit Committee ensures that the management provides timely responses on all material queries raised by the external auditors after the audit in respect of the accounting records, financial accounts or systems of control.
- c) Audit Committee meets up with the external auditors twice a year without the presence of the Executive Director to discuss on audit findings, audit plan and the Company's financial statements.

8. CODE OF ETHICS AND CONDUCT ("THE CODE")

8.1 Code of Conduct

In line with good corporate governance practices, the Board has made a commitment to uphold the highest standards of professionalism. This Code sets out the broad principles and standard of business ethic and conduct of the Group.

- a) Compliance at all times with this Code of Ethics and the Board Charter.
- b) Observe high standards of corporate governance at all times.
- c) Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- d) Act in good faith and in the best interests of the Company and Group.
- e) Not misuse information gained in the course of duties for personal gain or for political purposes, nor seek to use the opportunity of the service as directors to promote their private interests or those of connected persons, firms, businesses or other organizations.
- f) Uphold accountability at all times. This includes ensuring that the Company's resources are properly safeguarded and the Company conducts its operations as economically, efficiently and effectively as possible at all time.
- g) Board Members should not accept positions on Board committees or working groups where a conflict of interest is likely to arise, without first declaring that interest.
- h) Declaration of any personal, professional or business interests that may conflict with directors' responsibilities. Guidance on declaration and registration of interests is given in the section entitled "Declaration of

Interests” below.

i) Follow the guidelines on acceptance of gifts and hospitality as stated in the section entitled “Guidelines on Acceptance of Gifts” below.

8.2 Declaration of Interests

Subject to the requirements of any acts, rules or regulations that are in force from time to time and in addition to such mandatory requirements, members of the Board are required to notify the Company secretary changes in the following:

i) Shareholding in the Company and its related corporations, whether direct or indirect; and

ii) Directorships or interests in any other corporations.

In addition to the above, member of the Board who has a material interest, either directly or through a partner, spouse, children or close family relatives, in matters being considered by, or likely to be considered by the Board should declare that interest. Such declarations should describe the interest clearly and state whether it carries direct or indirect financial benefits.

8.3 Conduct in Meetings

Any Board member who has a clear and substantial interest in a matter under consideration by the Board should declare that interest at any meetings where the matter is to be discussed, whether or not that interest is already recorded in the Company’s register book. The Board member concerned should abstain from the meeting during the relevant discussion or decision.

8.4 Guidelines of Acceptance of Gifts

The following set our guidelines on acceptance of gifts:

a) The conduct of individuals must not create suspicion of any conflict between their position as a member of the Board and any private interest;

b) Board members acting as such must not give the impression that they have been influenced by a benefit to show favour or disfavour to any person or organization having dealings with the Company;

c) Board members must not accept any benefit as an inducement or reward for taking any action (or specifically not taking any action) in their official capacity as a Board member; and

d) Gifts other than of token value should generally be refused.

9. REVIEW OF THE BOARD CHARTER

The Board Charter should be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. Any subsequent amendment to the Charter can only be approved by the Board.