
19. DRAFT BYE-LAWS

Set out below are the draft Bye-Laws of the Schemes. The definitions as set out in the Bye-Laws of the Schemes shall apply where appropriate and references to any clauses and/or conditions are to the clauses and/or conditions as set out in the Bye-Laws unless otherwise stated.

1. PURPOSE

The purpose of the Schemes is to promote ownership of Shares in AAAN by employees of ASTRO thereby reinforcing a mutuality of interest among security holders and to enable ASTRO to attract, retain and motivate employees by permitting them to share in its growth. In addition, the Management Scheme has the purpose of adjusting the interests of shareholders and senior management to maximise shareholder value.

2. DEFINITIONS

“Applicable Laws” means requirements relating to employee share option schemes under applicable Malaysian company law and securities laws, the listing requirements, rules and regulations of KLSE, any guidelines prescribed by the SC or any Malaysian regulatory authority having jurisdiction for the time being to regulate employee share option schemes and the applicable laws of any other country or jurisdiction where Options are granted under the Scheme, as such laws, rules, regulations, requirements and guidelines shall be in place from time to time.

“Associated Persons” shall be construed as provided under Section 3 of the Securities Industry Act 1983.

“Authorised Nominee” has the meaning ascribed thereto in the Central Depositories Act.

“Board” means the Board of Directors of the Company and, to the extent of any delegation by the Board to a committee (or subcommittee thereof) pursuant to Clause 17 of these Bye-Laws, such committee (or subcommittee).

“Central Depository” means the Malaysian Central Depository Sdn Bhd and its successors in title.

“Central Depositories Act” means the Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof.

“Change in Control” shall have the meaning assigned thereto by the Board from time to time.

“Company” means ASTRO ALL ASIA NETWORKS plc, a company incorporated in England, and any successor corporation.

“Depositor” means the holder of a Securities Account.

“Employee” means an employee of the Company or its Subsidiaries being an employee of the Company or any of its Subsidiaries whose employment has been confirmed in writing.

“Eligible Employee” means an Employee who meets the criteria of eligibility to participate in the Scheme with regard to Options.

“Executive Director” means a director on the board of the Company or any of its Subsidiaries holding office in a full-time executive capacity and an employee of the Company or the Subsidiary, as the case may be.

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“ESOS Scheme” means the 2003 Employee Share Option Scheme of the Company, as amended from time to time.

“Fair Market Value” in relation to a Share means:

- (a) in respect of a Share subscribed for upon the exercise of an Option which is an Initial Grant, the price at which a Share is subscribed for by a retail investor under the IPO; and
- (b) in respect of a Share subscribed for upon the exercise of an Option which is not an Initial Grant, a price which is the weighted average of the market price quotation of Shares for the five (5) Market Days immediately preceding the date on which the Option is granted less, if the Directors shall so determine at their discretion from time to time, a discount of not more than 10 per cent. or the par value of a Share, whichever is higher.

“Holding Company” means a holding company of the Company as defined in Section 5 of the Companies Act 1965.

“Initial Grants” means the initial Options granted prior to the consummation of the IPO, on terms that exercise thereof is conditional upon such consummation.

“IPO” means the initial public offering of the Shares.

“KLSE” means Kuala Lumpur Stock Exchange.

“Market Day” means any day between Monday and Friday (both days inclusive) which is not a public holiday and on which KLSE is open for trading of securities.

“MCD Rules” means the Rules of the Central Depository and any appendices thereto, as amended from time to time.

“MSIS Scheme” means the 2003 Management Share Incentive Scheme of the Company as amended from time to time.

“Offer Date” means, in relation to an Option, the date of the written offer thereof to an Eligible Employee in accordance with the provisions of these Bye-Laws.

“Option” means the right to subscribe for Shares upon exercise of an option granted pursuant to Clause 6 of these Bye-Laws.

“Option Period” means, in relation to an Option, a period commencing from the date of the grant and ending on the tenth anniversary of the date on which the Scheme shall become effective.

“Option Price” means the subscription price payable upon the exercise of an Option.

“Optionee” means the holder of an outstanding Option granted under this Scheme.

“Ordinary Shares” means ordinary shares of par value 10p each in the capital of the Company.

“Record of Depositors” means the record provided by the Central Depository to the Company under Chapter 24.0 of the MCD Rules.

“RM” or “Ringgit Malaysia” means the lawful currency of Malaysia.

“SC” means the Securities Commission.

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“Secretary” means any person or persons appointed to perform the duties of the Secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.

“Schemes” means the ESOS and the MSIS Scheme.

“Securities Account” means an account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealings in securities by the Depositor as permitted under the Central Depositories Act and/or the MCD Rules.

“Shares” means ordinary shares in the capital of the Company or any other security representing such ordinary shares.

“Subsidiary” means a subsidiary of the Company as defined in Section 5 of the Companies Act 1965, not being a dormant company.

“Substantial Shareholder” has the meaning ascribed thereto in Section 69D of the Companies Act 1965.

“Termination of Service” means the termination of service by an Optionee as an Employee for any reason (other than by reason of his death), with or without cause, which includes termination by resignation, removal or dismissal, failure to be re-elected, or retirement.

“Twenty Percent Holder” means an Employee who either singly or collectively with his Associated Persons owns twenty per cent (20 per cent.) or more of the issued and paid up capital of the Company.

3. SHARES AVAILABLE

3.1 The total number of Shares which may be issued under Options granted pursuant to these Schemes and options to be offered under any future plans or schemes of the Company (which, for the avoidance of doubt, excludes any unissued Shares under options which have expired or been terminated) shall not exceed in aggregate 10 per cent. of the Company’s issued and paid up share capital at any time during the existence of these Schemes.

3.2 The total number of Shares which may be issued under Options granted under the Schemes to Executive Directors and members of senior management of the Company and its Subsidiaries shall not exceed in aggregate 50 per cent. of the Shares available under these Schemes.

3.3 The total number of Shares which may be issued under Options granted under the Schemes to Twenty Percent Holders shall not exceed in aggregate 10 per cent. of the Shares available under these Schemes.

3.4 The Company shall at all times keep available sufficient unissued Shares to satisfy all outstanding Options.

4. ELIGIBILITY

Subject to the discretion of the Board, any Employee (including an Executive Director) shall be eligible to participate in the ESOS Scheme if, as at the Offer Date, the Employee has attained the age of eighteen (18) years. In addition, an Employee shall be eligible to participate in the MSIS Scheme if an Employee has attained a level of seniority determined by the Board.

19. DRAFT BYE-LAWS (Cont'd)

5. BASIS OF ALLOCATION OF OPTIONS

5.1 ESOS Scheme

Subject to the provisions of Clauses 3.2 and 3.3, the number of new Shares that may be offered under the Options to any one of the Eligible Employees shall be at the discretion of the Board after taking into consideration the performance, seniority and number of years of service of the Eligible Employee as well as his actual or potential contribution to the Group. In determining the number of years of service of an Eligible Employee, the Board may take into consideration any service provided by such Eligible Employee as a secondee to the Company and/or any of its Subsidiaries by a Substantial Shareholder of the Company.

5.2 MSIS Scheme

Subject to the provisions of Clauses 3.2 and 3.3, the number of new Shares that may be offered under the Options to any one of the Eligible Employees shall be at the discretion of the Board after taking into consideration the seniority and performance of the Eligible Employee and the Company meeting the performance targets set by the Board.

6. OFFER AND ACCEPTANCE OF OPTIONS

- 6.1 Subject to and in accordance with the provisions of these Bye-Laws, the Board may, within the duration of the Scheme, make offers to grant Options to Eligible Employees whom the Board may in its discretion select.
- 6.2 Offers in respect of Options to be comprised in the Initial Grant shall be made prior to the consummation of the IPO and on terms that exercise of such Options are conditional upon such consummation.
- 6.3 Offers in relation to Options (other than those comprised in the Initial Grant) shall thereafter be made from time to time as the Board may determine.
- 6.4 Each offer to grant Options shall:
- 6.4.1 be substantially in the form set out in Appendix A (subject to modification by the Board from time to time);
 - 6.4.2 specify the Option Price per share, which shall be the Fair Market Value thereof and the closing date for the acceptance of the offer (the "Closing Date");
 - 6.4.3 specify the type or types of Option(s) which forms the subject matter of the offer.
- 6.5 An Eligible Employee who accepts an offer of an Option must return, on or before the Closing Date, the duly completed Acceptance Form (substantially in the form as set out in Appendix B, subject to modification by the Board from time to time). If the offer is not accepted in such manner, the offer shall automatically lapse upon the Closing Date and shall then be null and void.
- 6.6 Successive grants may be made to the same Optionee whether or not any Options previously granted to such Optionee remain unexercised.

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7. EXERCISE OF OPTIONS

- 7.1 Unless otherwise determined by the Board, all Options shall become exercisable:
- 7.1.1 with regard to the ESOS, to the extent of one-third (1/3rd) of the Shares covered thereby on each of the first three anniversaries of the date of grant, if the Optionee shall have been in the continuous service of the Company or any of its Subsidiaries throughout such period. For this purpose the service of an Employee shall not be considered to have been interrupted (and therefore ceasing to be continuous) by reason alone of any of the following:
- (1) sick leave; or
 - (2) study leave for a period of not more than one (1) year; or
 - (3) any other leave of absence approved by the Company or Subsidiary to whom the Employee provides his services, provided that such leave shall be for a period of not more than ninety (90) days; or
 - (4) in the case of transfers between the Company and any Subsidiary and vice versa or between one Subsidiary and another Subsidiary;
- 7.1.2 with regard to the MSIS Scheme, to the extent of all the Shares covered thereby on the third anniversary of the date of the grant, if the Company performance criteria for the Company established by the Board at the time of the grant have been met and if the Optionee shall have been in the continuous service of the Company or any of its Subsidiaries throughout such period. For this purpose the service of an Employee shall not be considered to have been interrupted (and therefore ceasing to be continuous) by reason alone of any of the following:
- (1) sick leave; or
 - (2) study leave for a period of not more than one (1) year; or
 - (3) any other leave of absence approved by the Company or Subsidiary to whom the Employee provides his services, provided that such leave shall be for a period of not more than ninety (90) days; or
 - (4) in the case of transfers between the Company and any Subsidiary and vice versa or between one Subsidiary and another Subsidiary;
- 7.1.3 on such date or dates as may be determined by the Board following a Change in Control; or
- 7.1.4 at the discretion of the Board, on such date or dates as may be determined by the Board, in the event of the Termination of Service of the Optionee under any of the circumstances described in Clause 9.2.
- 7.2 No Option shall be exercisable if the exercise thereof would violate any provision of Applicable Laws, nor shall any Option be exercisable more than 10 years from the date on which the Schemes shall become effective.

19. DRAFT BYE-LAWS (Cont'd)

- 7.3 During the period within which an Option may be exercised as provided in Clause 7.1, an Optionee may exercise an Option in whole or in part in multiples of 100 Shares only at such time in accordance with any guidelines as may be prescribed by the Board from time to time. To exercise an Option, an Optionee shall give written notice to the Company in the form set out in Appendix C subject to modification by the Board from time to time, specifying the number of Shares to be subscribed for and provide payment of the Option Price and shall further specify the number of the Securities Account of the Optionee or of the Optionee's Authorised Nominee and furnish any other documentation that may be required by the Company.
- 7.4 The Option Price shall be payable in cash which shall be remitted to the Company with the notice referred to in Clause 7.3 or, at the discretion of the Board, by such other form of consideration or in such other manner as may be acceptable to the Company, and permitted under Applicable Laws and, without limitation to the generality of the foregoing, any grant may at the discretion of the Board provide (to the extent permitted by Applicable Laws) for deferred payment of the Option Price from the proceeds of sale through a broker on a date satisfactory to the Company of some or all of the Shares to which such exercise relates.
- 7.5 Except as otherwise determined by the Board, no Option shall be transferable by the Optionee except by will or the laws of descent and distribution and the Optionee shall not create any charge, pledge, lien or other encumbrance whatsoever in respect of an Option or any part thereof. Except as otherwise determined by the Board and save as otherwise provided under Clause 9.3, Options shall be exercisable during the Optionee's lifetime only by the Optionee or, in the event of the Optionee's legal incapacity to do so, the Optionee's guardian or legal representative acting on behalf of the Optionee in a fiduciary capacity under Applicable Laws and any required court supervision.
- 7.6 Subject to and in accordance with the provisions of the Articles of Association of the Company, the Central Depositories Act and the MCD Rules, the Company shall within ten (10) Market Days of the receipt by the Company of the aforesaid notice referred to in Clause 7.3 and remittance from the Optionee, allot and issue the relevant number of Shares, despatch a notice of allotment stating the number of Shares to be credited into the Securities Account of the Optionee or the Optionee's Authorized Nominee with a copy to the Optionee, as the case may be, and make an application for the quotation of the Shares. No physical share certificate(s) will be issued to the Optionee.

8. RIGHTS IN SHARES

Shares issued upon the exercise of an Option shall rank *pari passu* in all respects with the then existing issued Shares save that they will not entitle the holders thereof to receive any rights and bonus issues which entitlement date precedes the date of the exercise of the Option or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the date of the exercise of the Option and will be subject to all the provisions of the memorandum and articles of association of the Company.

19. DRAFT BYE-LAWS (Cont'd)

9. TERMINATION OF OPTIONS

- 9.1 All unexercised Options held by an Optionee shall forthwith lapse and cease to be exercisable in relation to any Shares in respect of which such Options have not been exercised upon the occurrence of one or more of the following events:
- 9.1.1 the Optionee's Termination of Service; or
 - 9.1.2 in the event of the liquidation of the Company; or
 - 9.1.3 in the event of bankruptcy of the Optionee.
- 9.2 In the event of the Termination of Service of an Optionee prior to the exercise of an Option, the Board may approve in writing the exercise or partial exercise of such Option by the Optionee upon such terms and conditions as may be set out by the Board in its discretion, if such cessation occurs by reason of:
- 9.2.1 retirement on attaining the retirement age under the Company's retirement policy;
 - 9.2.2 retirement before attaining the normal retirement age, but with the consent of the Board;
 - 9.2.3 redundancy;
 - 9.2.4 ill-health, injury, physical or mental disability; or
 - 9.2.5 any other circumstances which are acceptable to the Board.
- 9.3 If an Optionee dies before the expiration of the Option Periods, and, as at the date of his/her death, held an Option or Options which has become exercisable in accordance with this Scheme but remains unexercised or partially exercised as at the date of the Optionee's death, such Option or Options may be exercised or partially exercised by the legal or personal representative of the Optionee, at any time not more than one year after the Optionee's death.

10. ADJUSTMENTS

- 10.1 The Board may make or provide for such adjustments in the Option Price and in the number of Shares covered by outstanding Options as the Board in its discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of Optionees that would otherwise result from any (a) stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, (b) merger, consolidation, separation, reorganization, partial or complete liquidation, issuance of rights or warrants to purchase or subscribe for stock or (c) other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event, the Board, in its discretion, may provide in substitution for any or all outstanding Options under these Schemes such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all Options so replaced. If the Board decides that no adjustments will be made, the Company must inform all Optionees of this decision.

19. DRAFT BYE-LAWS (Cont'd)

- 10.2 Any adjustment in the number of Shares covered by outstanding Options shall give each Optionee the same proportion of the issued ordinary share capital of the Company as that to which she/he was previously entitled by ensuring that the capital outlay to be incurred by each Optionee in exercising the Options held by such Optionee remains unaffected.
- 10.2 The provisions of Clauses 10.1 and 10.2 shall not apply where a change in the capital structure of the Company arises from the issue of securities as consideration for the acquisition of assets or pursuant to a special issue or private placement.

11. SHARE OPTION AGREEMENT

The Board may require that any Option be evidenced by a Share Option Agreement. The form of each Share Option Agreement shall be prescribed, and any Share Option Agreement evidencing an outstanding Option may with the concurrence of the affected Optionee be amended by the Board, provided that the terms and conditions of each Share Option Agreement and amendment are not inconsistent with these Schemes and that no amendment shall adversely affect the rights of the Optionee with respect to any outstanding Option without the Optionee's consent.

12. CANCELLATION OF OPTIONS

The Board may, (with the concurrence of the affected Optionee, if so required by Applicable Laws) cancel any Option granted under these Schemes. In the event of any such cancellation, the Board may authorize the granting of new Options (which may or may not cover the same number of Shares that had been the subject of any prior Option) in such manner, at such Option Price and subject to similar terms, conditions and discretion as would have been applicable under these Schemes had the cancelled Options not been granted.

13. WITHHOLDING

No later than the date as of which any amount first becomes includible in the gross income of an Optionee for any applicable income tax purposes with respect to any Option under the Schemes, the Optionee shall pay to the Company, or make arrangements satisfactory to the Board regarding the payment of, any national or local taxes of any kind required by law to be withheld with respect to such amount. If so determined by the Board, the minimum required withholding obligations may be settled with Shares, including Shares that are part of the award that gives rise to the withholding requirement. The obligations of the Company under these Schemes shall be conditional on such payment or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Optionee.

14. GOVERNING LAW

These Bye-Laws, these Schemes and all options granted and actions taken thereunder shall be governed by and construed in accordance with the laws of Malaysia.

19. DRAFT BYE-LAWS (Cont'd)

15. FRACTIONAL SHARES

The Company shall not be required to issue any fractional Shares pursuant to these Schemes. The Board may provide for the elimination of fractions or for the settlement of fractions for cash.

16. MULTIPLE JURISDICTIONS

In order to facilitate the making of any grant under these Schemes, the Board may provide for such special terms for Options to Optionees who are employed by the Company or any Subsidiary in any particular jurisdiction, or who are nationals of any particular jurisdiction, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of the Schemes as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of these Schemes as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as these Schemes. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of these Schemes as then in effect unless these Schemes could have been amended to eliminate such inconsistency.

17. ADMINISTRATION

These Schemes shall be administered by the Board, which may from time to time delegate all or any part of its authority under these Schemes to a committee of not less than three of its members appointed by the Board. To the extent of any such delegation, references in these Schemes to the Board shall also refer to the committee. A majority of the members of the committee shall constitute a quorum, and any action taken by a majority of the members of the committee who are present at any meeting of the committee at which a quorum is present, or any action of the committee that are unanimously approved by the members of the committee in writing, shall be the acts of the committee. The Board or committee shall have the authority to delegate responsibility and authority for the operation and administration of these Schemes, appoint employees and officers of the Company to act on its behalf, and employ persons to assist in fulfilling their responsibilities under these Schemes.

18. AMENDMENT

These Schemes may be amended from time to time by the Board; provided, however, that any amendment which must be approved by the shareholders of the Company in order to comply with the Applicable Laws, shall not be effective unless and until such approval has been obtained. Presentation of these Schemes or any amendment hereof for shareholder approval shall not be construed to limit the Company's authority to offer similar or dissimilar benefits under other plans or schemes or otherwise without shareholder approval. Furthermore, no amendment or alteration of these Schemes shall be made which would impair the rights of an Optionee with respect to any outstanding Option under these Schemes without the Optionee's consent and no amendment or alteration of these Schemes shall be made to the advantage of any Optionee without the prior approval of the Company's shareholders in general meeting where such approval is required under Applicable Laws. Any amendments to the Bye-Laws should not contravene any provision of the Guidelines on Employees Share Option Schemes under the Policies and Guidelines on Issue/Offer of Securities issued by the SC.

19. DRAFT BYE-LAWS (Cont'd)

19. EFFECTIVE DATE

These Schemes may be launched or implemented by the Company upon receipt of relevant approvals from the SC, KLSE and shareholders, the fulfilment of any conditions attached thereto and upon the principal adviser for these Schemes submitting to the SC the following:

- (a) Final copy of the bye-laws of these Schemes; and
- (b) Confirmation letter from the principal adviser that the Company
 - has fulfilled the SC's conditions of approval for these Schemes and that the bye-laws do not contravene any of the provision of the SC guidelines; and
 - has obtained other relevant approvals for these Schemes and has fulfilled any conditions imposed therein;

Provided, however, that the Initial Grants shall be conditional on the consummation of the IPO and shall be void and of no further effect if the IPO is not consummated prior to December 31, 2003.

20. TERM

No Option shall be granted pursuant to these Schemes on or after the tenth anniversary of the date on which these Schemes shall become effective, and no awards granted prior to such tenth anniversary may extend beyond that.

21. AWARDS IN SUBSTITUTION FOR AWARDS GRANTED BY OTHER COMPANIES

To the extent not otherwise provided in these Schemes, Options may be granted under these Schemes in substitution for awards held by (i) employees of a company who become employees of the Company or a Subsidiary as a result of the acquisition, merger or consolidation of the employer company by or with the Company or a Subsidiary or (ii) employees of any Substantial Shareholder of the Company who had provided services to the Company or any Subsidiary as secondees of such Affiliate and who subsequently become employees of the Company or a Subsidiary.

The terms, provisions and benefits of the substitute awards so granted may vary from those set forth in or authorized by these Schemes to such extent as the Board at the time of the grant may deem appropriate to conform, in whole or in part, to the terms, provisions and benefits of awards in substitution for which they are granted.

22. EARLY TERMINATION

Notwithstanding the provisions of Clause 20, the Company may with the prior approval of:

- 22.1 the SC;
- 22.2 the Company's members in general meeting wherein at least a majority of the members present shall vote in favour of such approval; and
- 22.3 all Optionees who have yet to exercise their Options, either in part or in whole, and whose approval must be in writing

terminate the Scheme prior to the expiry of the term specified in paragraph 20.

19. DRAFT BYE-LAWS (Cont'd)

23. NOT A TERM OF EMPLOYMENT

- 23.1 These Schemes shall not be construed as conferring upon the Optionees any right with respect to continuation of employment by the Company or any of its Subsidiaries, nor shall it interfere in any way with the right of the Company or any of its Subsidiaries to terminate such employment at any time, with or without cause. The terms of employment of an Employee shall not be affected by the execution of these Schemes. The Options granted under these Schemes shall not form a part of the terms of employment of an Employee or entitle him to take into account the Options granted under these Schemes in calculating any benefits or payment whatsoever or compensation or damages during the course of his employment or on the termination of his employment for any reason.
- 23.2 In no circumstances whatsoever shall any Employee ceasing to hold office or employment by virtue of which he is or may be eligible to participate in these Schemes be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under these Schemes which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise howsoever.
- 23.3 In the event an Optionee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) the Board may, in its discretion, suspend and/or cancel the right of the Optionee to exercise his/her Option pending the outcome of such disciplinary proceedings. The Board may impose such terms and conditions as the Board shall deem appropriate having regard to the nature of the charges made or brought against the Optionee and the outcome of such disciplinary proceedings.

24. INSPECTION OF ACCOUNTS

All Employees are entitled to inspect the latest audited accounts of the Company and its Subsidiaries at the office of the Scheme Administrator, as may be designated by the Board from time to time, at 3rd Floor, Administration Building, All Asia Broadcast Centre, Technology Park Malaysia, Lebuhraya Puchong-Sungai Besi, Bukit Jalil, 57000 Kuala Lumpur, during normal office hours on Mondays to Fridays (public holidays excepted).

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