Standard Operating Procedures

Board Diversity Policy

Department
Group People and Culture

Document No. : AA/PPL/S/003
Classification : INTERNAL
Issue : 01
Revision : 00
Issue Date : 23 July 2018
Revision Date : -
Control No. : Master Copy
Information contained in this document is the property of AirAsia Group Berhad ("AAGB") and is disclosed in confidence to employees from AAGB, as well as authorized persons stated in the Distribution Control List (DCL) of this document.

No part of this publication may be reproduced, distributed or transmitted in any form or by any means, including photocopying, recording or any other electronic or mechanical methods, without the express written permission of AAGB except in the case of non-commercial uses permitted under copyrights law. The use of the information extracted from this document for the purpose of developing promotional or educational materials ("Materials") is allowed, provided that the Materials are developed by the document owner in AAGB or anyone authorized by the document owner in AAGB.

For permission requests, kindly write to the relevant Document Control Centre, addressed "Attention: GOQA Document Control Centre," at the following address:

AirAsia Group Berhad,
RedQ,
Jalan Pekeliling 5,
Lapangan Terbang Antarabangsa Kuala Lumpur (klia2),
64000 Sepang, Selangor.
Board Diversity Policy
Issue 01 Revision 00
23 July 2018
Approval for
AirAsia Group Berhad

Prepared by

<SIGNATURE NOT DISPLAYED>

Bong Phei San
Executive,
Group People and Culture

Reviewed by

<SIGNATURE NOT DISPLAYED>

Varun Bhatia
Group Head of People and Culture

Approved by

<SIGNATURE NOT DISPLAYED>

Datuk Kamarudin Bin Meranun
Chairman,
Board of Directors
REVISION HISTORY

Revision History records the trail of revisions made to the SOP, the reason of the revisions and the tracking of Process Change Request (PCR) submitted by the Process Owner. Revision History is the responsibility of Document Control Centre (DCC) to ensure all SOP revisions are justified and documented in accordance to proper document control procedures.

<table>
<thead>
<tr>
<th>Issue No.</th>
<th>Rev. No.</th>
<th>PCR No.</th>
<th>Date</th>
<th>Effective Date</th>
<th>Reason for Revision</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>00</td>
<td>GOQA/PCR/069</td>
<td>23 Jul 18</td>
<td>21 Sep 18</td>
<td>Initial issue.</td>
</tr>
</tbody>
</table>
DISTRIBUTION CONTROL LIST

The Control No. in the Distribution Control List are defined with the following codes:
A = Aircraft, S = Station, P = Personnel, X = External

<table>
<thead>
<tr>
<th>Holder</th>
<th>Location</th>
<th>Control No.</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Control Centre</td>
<td>KUL</td>
<td>Master Copy</td>
<td>Hardcopy</td>
</tr>
<tr>
<td>Board of Directors, AirAsia Group Berhad</td>
<td>KUL</td>
<td>Softcopy - RedDocs</td>
<td>Softcopy</td>
</tr>
<tr>
<td>Group Legal</td>
<td>KUL</td>
<td>Softcopy - RedDocs</td>
<td>Softcopy</td>
</tr>
<tr>
<td>Group People and Culture</td>
<td>KUL</td>
<td>Softcopy - RedDocs</td>
<td>Softcopy</td>
</tr>
</tbody>
</table>
TABLE OF CONTENT

REVISION HISTORY.................................................................................................................. 1
DISTRIBUTION CONTROL LIST .............................................................................................. 1
TABLE OF CONTENT ................................................................................................................ 2
ABBREVIATIONS..................................................................................................................... 3
DEFINITION OF TERMS............................................................................................................. 4
1.0 OBJECTIVES....................................................................................................................... 6
2.0 SCOPE ................................................................................................................................. 6
3.0 RESPONSIBILITIES............................................................................................................. 6
   3.1 Nomination and Remuneration Committee ................................................................. 6
   3.2 Head of Legal, Group Legal ......................................................................................... 6
4.0 REFERENCE DOCUMENTS............................................................................................... 7
5.0 DIVERSITY AND INCLUSION ......................................................................................... 8
6.0 MEASURABLE OBJECTIVES ........................................................................................... 10
7.0 MONITORING AND REPORTING .................................................................................... 11
8.0 REVIEW OF THE POLICY ................................................................................................. 12
9.0 PERFORMANCE MEASURES AND NON-CONFORMANCE CRITERIA ...................... 13
10.0 LIST OF RECORDS ........................................................................................................... 13
ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAGB</td>
<td>AirAsia Group Berhad</td>
</tr>
<tr>
<td>DCC</td>
<td>Document Control Centre</td>
</tr>
<tr>
<td>DCL</td>
<td>Distribution Control List</td>
</tr>
<tr>
<td>GOQA</td>
<td>Group Operational Quality Assurance</td>
</tr>
<tr>
<td>NRC</td>
<td>Nomination and Remuneration Committee</td>
</tr>
<tr>
<td>PCR</td>
<td>Process Change Request</td>
</tr>
</tbody>
</table>
**DEFINITION OF TERMS**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>Board of Directors of AirAsia Group Berhad.</td>
</tr>
<tr>
<td>Board Committee</td>
<td>Committees established by the Board to assist in carrying out its duties</td>
</tr>
<tr>
<td></td>
<td>and responsibilities.</td>
</tr>
<tr>
<td>Nomination and Remuneration</td>
<td>Committee that evaluates the Board of Directors of its respective company</td>
</tr>
<tr>
<td>Committee</td>
<td>and examine the skills and characteristics needed in Board candidates.</td>
</tr>
<tr>
<td>Policy</td>
<td>Board Diversity Policy.</td>
</tr>
</tbody>
</table>
INTENTIONALLY LEFT BLANK
1.0 OBJECTIVES

The Board Diversity Policy ("Policy") sets out the approach to diversity on the Board of Directors or AirAsia Group Berhad ("Board"). The objective is to ensure a broad dimension of diversity is present in the Board to guarantee diverse viewpoints.

2.0 SCOPE

The Policy applies to the Board only. It does not apply to diversity in relations to employees.

3.0 RESPONSIBILITIES

3.1 Nomination and Remuneration Committee

a. Review and assess the Board composition on behalf of the Board.
b. Recommend the appointment of new Directors.
c. Provide a report on the process used for Board appointments in the AAGB Annual Report.
d. Conduct annual review of the Policy.

3.2 Head of Legal, Group Legal

a. To ensure the Board Nomination Committee is guided by this policy.
### 4.0 REFERENCE DOCUMENTS

<table>
<thead>
<tr>
<th>Title</th>
<th>Document ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Charter (AAGB)</td>
<td>AA/LGL/S/007</td>
</tr>
<tr>
<td>Corporate Governance Blueprint 2011 (Securities Commission)</td>
<td>N/A</td>
</tr>
</tbody>
</table>
## 5.0 DIVERSITY AND INCLUSION

5.1 AirAsia Group Berhad (AAGB) recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage.

5.2 A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, education, cultural and religious background, ethnicity, race, gender as well as other qualities of the Directors. These differences shall be considered in determining the optimum composition of the Board and should be balanced appropriately when possible.

5.3 All Board appointments shall be made on merit and in the context of the skills and experience the Board needs as a whole to be effective.

5.4 The Nomination and Remuneration Committee (“NRC”) reviews and assesses the Board composition on behalf of the Board and recommends the appointment of new Directors.

Refer to the AAGB Board Charter (Doc. No.: AA/LGL/S/007) for more information on the NRC composition and responsibilities.

5.5 In reviewing the Board composition, NRC will consider the benefits of all aspects of diversity including, but not limited to, those described above to maintain an appropriate range and balance of skills, experience and background in the Board.

5.6 In identifying suitable candidates for appointment to the Board, NRC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
5.7 Some of the criteria to be taken into consideration in the selection process can include the following:

a. Millennial appeal;
b. Gender diversity;
c. Entrepreneurial skills;
d. Global mindset;
e. Digital savvy;
f. Influencer;
g. Leadership role in mid-large size organization.

5.8 As part of the annual performance evaluation on the effectiveness of the Board, the Board Committees and Individual Directors, NRC will consider the balance of skills, experience, independence and knowledge of AAGB within the Board as well as the diversity representation of the Board.

Note: Board Committees are committees established by the Board to assist in carrying out its duties and responsibilities. Refer to the AAGB Board Charter for more information on the existing Board Committees.
6.0 MEASURABLE OBJECTIVES

6.1 NRC shall annually discuss and agree all measurable objectives to achieve diversity on the Board and recommend them to the Board for adoption.

6.2 At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

6.3 The Board recognizes the recommendation of the Corporate Governance Blueprint 2011 issued by the Securities Commission on maintaining at least thirty percent (30%) of the Board with women and shall take the necessary measures to meet the target.

6.4 Nonetheless, selection of female candidates to join the Board shall be, in part, dependent on the pool of female candidates with the necessary skills, knowledge and experience. The ultimate decision will be based on merit and the contribution the chosen candidate will bring to the Board.
7.0 MONITORING AND REPORTING

7.1 Every year, NRC shall provide a report on the process used for Board appointments in the Corporate Governance section of the AAGB Annual Report.

7.2 The report shall include:
   a. a summary of the Policy;
   b. the measurable objectives set for implementing the Policy; and
   c. the progress made towards achieving those objectives.
8.0 REVIEW OF THE POLICY

8.1 NRC shall review this Policy annually. The review shall include an assessment of the effectiveness of the Policy.

8.2 NRC shall discuss any revisions that may be required and recommend the revisions to the Board for approval.
9.0 PERFORMANCE MEASURES AND NON-CONFORMANCE CRITERIA

<table>
<thead>
<tr>
<th>Activity</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide report on the process used for Board appointments.</td>
<td>Once a year</td>
</tr>
<tr>
<td>Review this Policy annually and include an assessment of the effectiveness of the Policy.</td>
<td>Once a year</td>
</tr>
</tbody>
</table>

10.0 LIST OF RECORDS

<table>
<thead>
<tr>
<th>Form Name</th>
<th>Form Number</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>