



Standard Operating Procedures

Board Diversity Policy

Department

Group People and Culture

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Board Diversity Policy
Issue 01 Revision 00
23 July 2018
Approval for
AirAsia Group Berhad

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ABBREVIATIONS

Abbreviation	Full Term
AAGB	AirAsia Group Berhad
DCC	Document Control Centre
DCL	Distribution Control List
GOQA	Group Operational Quality Assurance
NRC	Nomination and Remuneration Committee
PCR	Process Change Request

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	Board Diversity Policy Definition of Terms	Doc. No. AA/PPL/S/003 Date 23 Jul 18 Issue 01 Rev 00 Page 4
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DEFINITION OF TERMS

Term	Definition
Board	Board of Directors of AirAsia Group Berhad.
Board Committee	Committees established by the Board to assist in carrying out its duties and responsibilities.
Nomination and Remuneration Committee	Committee that evaluates the Board of Directors of its respective company and examine the skills and characteristics needed in Board candidates.
Policy	Board Diversity Policy.

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1.0 OBJECTIVES

The Board Diversity Policy (“Policy”) sets out the approach to diversity on the Board of Directors of 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.

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4.0 REFERENCE DOCUMENTS

Title	Document ID
Board Charter (AAGB)	AA/LGL/S/007
Corporate Governance Blueprint 2011 (Securities Commission)	N/A

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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.

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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.
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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.

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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.

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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.

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9.0 PERFORMANCE MEASURES AND NON-CONFORMANCE CRITERIA

Activity	KPI
Provide report on the process used for Board appointments.	Once a year
Review this Policy annually and include an assessment of the effectiveness of the Policy.	Once a year

10.0 LIST OF RECORDS

Form Name	Form Number	Owner
N/A		

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