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Standard Operating Procedures

# Board Charter

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Department:

Group Legal

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Document No. : AALGL/S/007

Issue : 01

Revision : 00

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**Board Charter**  
**Issue 01 Revision 00**  
**20 May 2018**  
**Approval for AirAsia Group Berhad**

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BOARD OF DIRECTORS OF AIRASIA GROUP BERHAD  
during the Second Board of Directors' Meeting for year 2018  
Approval Date: 24 May 2018  
Approval Reference: BODM #02/2018

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	<b>Board Charter</b> Revision History	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 1
---	--	--


## 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 DCC to ensure all SOP revisions are justified and documented in accordance to proper document control procedures.

Issue No.	Rev. No	PCR No.	Date	Effective Date	Reason for Revision
01	00	GOQA/PCR/069	20 May 18	13 Aug 18	Initial Issue. This document will exist concurrently with the MAA Board Charter (Doc. No.: MAA/LCL/SOP/ 03)

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	<b>Board Charter</b> Distribution Control List	Doc. No.	AA/LGL/S/007
		Date	20 May 18
		Issue 01	Rev 00
		Page	2

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	<b>Board Charter</b> Table of Content	Doc. No.	AA/LGL/S/007
		Date	20 May 18
		Issue 01	Rev 00
		Page	3

## TABLE OF CONTENT

REVISION HISTORY.....	1
DISTRIBUTION CONTROL LIST .....	2
TABLE OF CONTENT .....	3
ABBREVIATIONS.....	5
DEFINITION OF TERMS.....	6
1.0 OBJECTIVES.....	9
2.0 SCOPE .....	9
3.0 RESPONSIBILITIES.....	9
3.1 Group Head of Legal.....	9
4.0 REFERENCE DOCUMENTS.....	10
5.0 INTRODUCTION .....	11
6.0 DUTIES AND RESPONSIBILITIES OF THE BOARD.....	12
6.1 Principal Responsibilities .....	12
6.2 Roles of Individual Directors.....	17
6.3 Roles of Non-Executive Directors .....	17
6.4 Roles of Senior Independent Non-Executive Director .....	18
6.5 Roles of Executive Directors .....	19
6.6 Roles of Chairman .....	20
6.7 Roles of the GCEO .....	21
6.8 Roles of the CEO .....	21
7.0 MATTERS RESERVED FOR THE BOARD.....	23
8.0 DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS .....	24
9.0 DIVISION OF ROLES .....	25
10.0 COMPOSITION OF BOARD.....	28
11.0 BOARD MEMBERS .....	29
12.0 LIMIT ON DIRECTORSHIPS.....	31
13.0 CRITERIA OF AN INDEPENDENT DIRECTOR .....	32

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	<b>Board Charter</b> <b>Table of Content</b>	<table> <tr> <td>Doc. No.</td> <td>AA/LGL/S/007</td> </tr> <tr> <td>Date</td> <td>20 May 18</td> </tr> <tr> <td>Issue 01</td> <td>Rev 00</td> </tr> <tr> <td>Page</td> <td>4</td> </tr> </table>	Doc. No.	AA/LGL/S/007	Date	20 May 18	Issue 01	Rev 00	Page	4
Doc. No.	AA/LGL/S/007									
Date	20 May 18									
Issue 01	Rev 00									
Page	4									


14.0	CONSULTATION PRIOR TO EXTERNAL APPOINTMENTS .....	33
15.0	REMUNERATION.....	34
16.0	QUORUM .....	35
17.0	FREQUENCY OF MEETINGS.....	36
18.0	ATTENDANCE.....	37
19.0	APPROVAL OF MINUTES / RESOLUTIONS .....	38
20.0	DIRECTORS' WRITTEN RESOLUTION .....	39
21.0	COMPANY SECRETARY .....	40
22.0	CODE OF CONDUCT.....	41
23.0	NEW DIRECTOR ORIENTATION AND CONTINUOUS EDUCATION.....	42
24.0	REVIEW OF THE BOARD CHARTER.....	43
25.0	PERFORMANCE MEASURES AND NON-CONFORMANCE CRITERIA .....	44
26.0	LIST OF RECORDS .....	45

---

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	<b>Board Charter</b> Abbreviations	Doc. No.	AA/LGL/S/007
		Date	20 May 18
		Issue 01	Rev 00
		Page	5


## ABBREVIATIONS

Abbreviation	Full Term
AC	Audit Committee
AAGB	AirAsia Group Berhad
CA	Companies Act 2016
CEO	Chief Executive Officer
CMSA	Capital Markets and Services Act 2007
ED	Executive Director
GCEO	Group Chief Executive Officer
MAP	Mandatory Accreditation Programme
MCCG	Malaysian Code on Corporate Governance 2017
MMLR	Main Market Listing Requirements
NED	Non-Executive Directors
NRC	Nomination and Remuneration Committee
RMC	Risk Management Committee
RPT	Related Party Transactions
SID	Senior Independent Non-Executive Director
SRB	Safety Review Board

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	<b>Board Charter</b> Definition of Terms	Doc. No.	AA/LGL/S/007
		Date	20 May 18
		Issue 01	Rev 00
		Page	6

## DEFINITION OF TERMS

Term	Definitions
<b>AirAsia</b>	AirAsia Group Berhad and all its subsidiaries.
<b>Board</b>	Board of Directors of AirAsia Group Berhad.
<b>Board Assessment</b>	An evaluation on the Board conducted by the NRC based on specific criteria covering areas such as the Board composition and structure, principal responsibilities of the Board, the Board process, the Chief Executive Officer's ("CEO") performance, succession planning and Board governance.
<b>Company</b>	AirAsia Group Berhad.
<b>Constitution of AirAsia</b>	A document that defines AirAsia Group Berhad's existence and sets out the rules and controls governing the company. The Constitution is approved by Bursa Malaysia and maintained by the Legal department.
<b>Directors' Written Resolution</b>	A resolution in writing signed by majority of the Directors. It shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.
<b>Independent Advisors</b>	Third-party advisors appointed by the Board of Directors.
<b>Individual Director (Self and Peer) Assessment</b>	An evaluation on the Board conducted by the NRC based on contribution to interaction, role and duties, knowledge and integrity as well as assessment of independence.

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	<b>Board Charter</b> Definition of Terms	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 7
---	---	--

Term	Definitions
<b>Non-Executive Directors</b>	Persons of calibre and credibility who have the necessary skills and experience to bring an independent judgement to bear on the issues of strategy, performance and resources, including key appointments and standards of conduct.
<b>Succession Planning</b>	The process of selecting, training, appointing, monitoring, evaluating and, if warranted, replacing any Senior Management to ensure succession.

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	<b>Board Charter</b> Definition of Terms	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 8
---	---	--

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	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 9
---	-------------------------------------	--

## 1.0 OBJECTIVES

This Charter is developed to allow the Board of Directors (“Board”) of AirAsia Group Berhad (“AAGB”) to oversee the conduct and direct the management of the business and affairs of AAGB.

## 2.0 SCOPE

This SOP is applicable to all members of the Board of AAGB.

## 3.0 RESPONSIBILITIES


### 3.1 Group Head of Legal

- a. Ensure the Board Charter is updated from times to times to ensure compliance with the relevant laws and regulations in Malaysia.

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	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 10
---	-------------------------------------	---


#### 4.0 REFERENCE DOCUMENTS

Title	Document ID
Code of Conduct and Ethics SOP	AA/PPL/S/002
Board Diversity Policy	AA/PPL/S/003
Constitution of AirAsia Group Berhad	N/A
Main Market Listing Requirements (Bursa Malaysia Securities Berhad)	N/A
Capital Markets and Services Act 2007	N/A
Companies Act 2016	N/A
Malaysian Code on Corporate Governance 2017 (Securities Commission)	N/A

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	<b>Board Charter Procedures</b>	<table> <tr> <td>Doc. No.</td> <td>AA/LGL/S/007</td> </tr> <tr> <td>Date</td> <td>20 May 18</td> </tr> <tr> <td>Issue 01</td> <td>Rev 00</td> </tr> <tr> <td>Page</td> <td>11</td> </tr> </table>	Doc. No.	AA/LGL/S/007	Date	20 May 18	Issue 01	Rev 00	Page	11
Doc. No.	AA/LGL/S/007									
Date	20 May 18									
Issue 01	Rev 00									
Page	11									


## 5.0 INTRODUCTION

- 5.1 The Board of the Company is committed to uphold the highest standards of corporate governance throughout the Company and its subsidiaries (From herein collectively known as “AirAsia”).
- 5.2 The Board Charter sets out the authority, responsibilities, membership and operation of the Board, adopting principles of good corporate governance and practice, that accord with applicable laws.
- 5.3 The Board is regulated by, amongst others:
- a. the Main Market Listing Requirements (“MMLR”) issued by Bursa Malaysia Securities Berhad;
  - b. the Capital Markets and Services Act 2007 (“CMSA”);
  - c. the Companies Act 2016 (“CA”);
  - d. the Malaysian Code on Corporate Governance 2017 (“MCCG”) issued by the Securities Commission;
  - e. the provisions of the Company’s Constitution; and
  - f. applicable laws, regulations and guidelines.

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	<b>Board Charter</b> <b>Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 12
---	---	---

## 6.0 DUTIES AND RESPONSIBILITIES OF THE BOARD


### 6.1 Principal Responsibilities

- 6.1.1 To review and approve strategies, business plans and key policies for AirAsia and monitor Management's performance in implementing them to determine whether the business is being properly managed.
- 6.1.2 To set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout AirAsia.
- 6.1.3 To ensure full compliance and to carry out the duties of the Board in accordance with the relevant provisions of the MMLR, the CMSA, the CA, the MCCG and all applicable laws, regulations and guidelines including but not limited to the director's duties contained in Subdivision 3 of Division 2 under Part III, of the CA.
- 6.1.4 To oversee the conduct of AirAsia's business and ensure that the management of AirAsia is competent and effective.
- 6.1.5 To ensure that there shall be unrestricted access to independent advice or expert advice at AirAsia's expense in furtherance of the Board's duties (Whether as a Board or a Director in his/her individual capacity).
- 6.1.6 To formalise the ethical standards through a Code of Conduct which will be applicable throughout AirAsia and ensure the compliance of this Code of Conduct.
- 6.1.7 To ensure that the operations of AirAsia are conducted prudently and within the framework of relevant laws and regulations.

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	<b>Board Charter Procedures</b>	<table> <tr> <td>Doc. No.</td> <td>AA/LGL/S/007</td> </tr> <tr> <td>Date</td> <td>20 May 18</td> </tr> <tr> <td>Issue 01</td> <td>Rev 00</td> </tr> <tr> <td>Page</td> <td>13</td> </tr> </table>	Doc. No.	AA/LGL/S/007	Date	20 May 18	Issue 01	Rev 00	Page	13
Doc. No.	AA/LGL/S/007									
Date	20 May 18									
Issue 01	Rev 00									
Page	13									

- 6.1.8 To establish, approve, review and monitor AirAsia's risk appetite and comprehensive risk management policies, processes and infrastructure as well as receive regular reports therein.
- 6.1.9 To approve delegated authority for expenditure, lending and other risk exposures.
- 6.1.10 To consider emerging issues that may be material to the business and affairs of AirAsia.
- 6.1.11 To ensure that AirAsia has a proper and robust succession plan for its Senior Management and Executive Directors. Succession planning refers to the process of selecting, training, appointing, monitoring, evaluating and if warranted, replacing any Senior Management to ensure succession.
- 6.1.12 To keep under review and maintain AirAsia's capital and liquidity positions; as well as ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.
- 6.1.13 To review and approve proposals for the allocation of capital and other resources within AirAsia.
- 6.1.14 To review and approve AirAsia's annual capital and revenue budgets (Including any material changes thereto).
- 6.1.15 To ensure that the Board has adequate procedures in place to receive reports from AirAsia's Management periodically and / or on a timely manner so the Board has reasonable grounds to make proper judgement on the financial position and business prospects of AirAsia on an ongoing basis.

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	<b>Board Charter</b> <b>Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 14
---	---	---

- 6.1.16 To approve AirAsia's annual reports and unaudited periodic financial statements as required by the applicable stock exchange including, but not limited to, other published financial statements and materials as well as significant statements issued to shareholders.
- 6.1.17 To review the adequacy and integrity of AirAsia's internal control system and management information systems, including systems for complying with applicable laws, regulations, rules, directives and guidelines.
- 6.1.18 To establish an internal audit function to obtain assurance of regular review and / or appraisal of the effectiveness of the system of internal controls within the Company. The Board should explain in summary the means that exist for obtaining such assurance of regular review and / or appraisal.
- 6.1.19 To establish procedures to assess any related party transactions or conflict of interest situations that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity.
- 6.1.20 To establish and ensure the effective functioning and monitoring of the Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC"), Risk Management Committee ("RMC"), Safety Review Board ("SRB") and any other committees deemed necessary by the Board then to delegate appropriate authority and terms of reference to such committees established by the Board.

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	<b>Board Charter Procedures</b>	<table> <tr> <td>Doc. No.</td> <td>AA/LGL/S/007</td> </tr> <tr> <td>Date</td> <td>20 May 18</td> </tr> <tr> <td>Issue 01</td> <td>Rev 00</td> </tr> <tr> <td>Page</td> <td>15</td> </tr> </table>	Doc. No.	AA/LGL/S/007	Date	20 May 18	Issue 01	Rev 00	Page	15
Doc. No.	AA/LGL/S/007									
Date	20 May 18									
Issue 01	Rev 00									
Page	15									

- 6.1.21 To receive the minutes of and/or reports from the committees established by the Board.
- 6.1.22 To review and agree to changes in the terms of reference of AirAsia's Board of Directors and committees established by the Board.
- 6.1.23 To review the AC report set out clearly in the annual report of AirAsia at the end of each financial year.
- 6.1.24 To look into and address major and / or material litigation matters against the Group as and when they arise.
- 6.1.25 To ensure that AirAsia has a beneficial influence on the economic well-being of its community.
- 6.1.26 To ensure that AirAsia has policies and / or procedures to enable effective communication with, and appropriate disclosure to, its shareholders and other stakeholders and that its shareholders have access to information about AirAsia.
- 6.1.27 To receive and consider high-level reports on matters material to AirAsia, in particular:
- a. relations with regulatory authorities;
  - b. health and safety;
  - c. insurance cover;
  - d. disaster recovery;
  - e. litigation and claims;
  - f. premises; and
  - g. public relations.

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	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 16
---	-------------------------------------	---

6.1.28 To strive to achieve an optimum balance and dynamic mix of competent and diverse skillsets amongst the members of the Board.

6.1.29 To ensure adequate training are provided to the members of the Board.

6.1.30 To conduct a Board evaluation annually through two (02) assessments administered by the NRC:

- a. Board Assessment; and
- b. Individual Director Assessment.

The Board may engage independent experts periodically to facilitate objective and candid Board evaluations.

The Board Assessment is based on specific criteria covering areas such as the Board composition and structure, principal responsibilities of the Board, the Board process, the CEO's performance, succession planning and Board governance.


The assessment criteria for the Individual Director (Self and Peer) Assessment includes contribution to interaction, role and duties, knowledge and integrity as well as assessment of independence.

6.1.31 To undertake a proper process to select a Director through NRC.

6.1.32 To establish formal and transparent remuneration policies and procedures to attract and retain Directors through the NRC.

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	<b>Board Charter</b> <b>Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 17
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## 6.2 Roles of Individual Directors


- 6.2.1 A Director shall exercise his powers in good faith and in the best interest of the Company.
- 6.2.2 A Director shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office and shall not make use of any information acquired by the virtue of his position to gain, whether directly or indirectly, improper advantage for himself or for any other persons or to cause detriment to the Company.
- 6.2.3 A Director shall avoid conflicts of interest and shall, as soon as practicable after the relevant facts have come to his/her knowledge, declare the nature of his/her interest at a meeting of the Directors of the Company. Every Director shall provide the Company notice of such events and matters relating to him/her that may be necessary or expedient for the Company and its officers to comply with the requirements of the CA.

## 6.3 Roles of Non-Executive Directors

- 6.3.1 Non-Executive Directors (“NED”) are persons of calibre and credibility who have the necessary skills and experience to bring an independent judgement to bear on the issues of strategy, performance and resources, including key appointments and standards of conduct.
- 6.3.2 NEDs are required to make an independent assessment of the information, reports or statements, taking into account the Directors’ knowledge, experience and

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	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 18
---	-------------------------------------	---

competence, to provide an independent view and demonstrate objectivity in reviewing and challenging the Management's proposals at meetings.

6.3.3 NEDs are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes as well as keep abreast of industry issues, market development and trend to enable them to sustain their active participation in Board deliberations.

6.3.4 NEDs act as a channel of communication between Management, shareholders and other stakeholders. They provide the relevant checks and balances focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied

#### **6.4 Roles of Senior Independent Non-Executive Director**


6.4.1 The Board approves the appointment of a Senior Independent Non-Executive Director ("SID").

6.4.2 The SID shall have specific responsibilities, which includes:

- a. to serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through normal channels of contact with the Chairman, Group Chief Executive Officer ("GCEO") or CEO;
- b. to serve as the intermediary between the Directors and the Chairman when necessary;
- c. to ensure all Independent Directors have the opportunity to provide input on the agenda;

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	<b>Board Charter</b> <b>Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 19
---	---	---

- d. to advise the Chairman on the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the Independent Directors to perform their duties effectively;
- e. to consult the Chairman on the Board meeting schedules to ensure all Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;
- f. to act as a sounding board for the Chairman;
- g. to preside all Board meetings when the Chairman is not present; and
- h. to call for meetings of the Independent Directors.


## 6.5 Roles of Executive Directors

6.5.1 The responsibilities of the Executive Director (“ED”) (or in the absence of an ED, the CEO) include, but are not limited to the following:

- a. to ensure, with all powers, discretions and delegations authorised by the Board, the efficient and effective day-to-day management of the Company;
- b. to establish and implement the strategic direction of the Company, as approved by the Board;
- c. to make recommendations to the Board on matters relating to the business and operations of the Company; and
- d. to identify and ensure all material matters affecting the Company are brought to the attention of the Board.

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	<b>Board Charter</b> <b>Procedures</b>	<table> <tr> <td>Doc. No.</td> <td>AA/LGL/S/007</td> </tr> <tr> <td>Date</td> <td>20 May 18</td> </tr> <tr> <td>Issue 01</td> <td>Rev 00</td> </tr> <tr> <td>Page</td> <td>20</td> </tr> </table>	Doc. No.	AA/LGL/S/007	Date	20 May 18	Issue 01	Rev 00	Page	20
Doc. No.	AA/LGL/S/007									
Date	20 May 18									
Issue 01	Rev 00									
Page	20									

## 6.6 Roles of Chairman

6.6.1 The Chairman of the Board shall be appointed by the Board and may hold an executive office within the Company. However, the position of the Chairman, GCEO and CEO must be held by different individuals.

6.6.2 In the absence of the Chairman and/or an appointed deputy in any meeting, the remaining present members shall elect one (01) of themselves to chair the meeting in accordance with the provisions set out in the Constitution of AirAsia.


6.6.3 The responsibilities of the Chairman include, but are not limited to, the following:

- a. to oversee the Board in the effective discharge of its role;
- b. to instil good corporate governance practices, leadership and effectiveness of the Board;
- c. to monitor the workings of the Board and the conducts of a Board meeting;
- d. to liaise with the CEO and Company Secretary on the agenda for Board meetings.
- e. to ensure all relevant issues for the effective running of AirAsia's business are on the Board meeting agenda;
- f. to ensure that all quality information needed to facilitate decision-making is delivered to the Board members on a timely basis;
- g. to encourage all Directors to play an active role in Board activities, including leading Board meetings and discussions, encouraging active participation and allowing dissenting views to be freely expressed;
- h. to manage the interface between the Board and the Management;
- i. to ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
- j. to chair general meetings for shareholders.

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	<b>Board Charter</b> <b>Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 21
---	---	---

## 6.7 Roles of the GCEO

6.7.1 The responsibilities of the GCEO include, but are not limited to, the following:

- a. to steer and direct the business of the AirAsia's core Malaysian operations as well as its various investments in Malaysia and abroad to ensure maximum financial return through consistent and synergetic application and implementation of the AirAsia business model and branding (Business direction);
- b. to develop, implement and monitor strategies that incorporate leading business thinking and best practices from all industries and sectors to advance the Group business (Strategies);
- c. to recruit, mentor, coach and guide the Senior Management teams within AirAsia to ensure optimal performance and strong succession (Talent and Succession);
- d. to be the face of AirAsia in interactions where the interests of AirAsia as a whole are critical (External Interface);
- e. to explore new business opportunities within the digital, aviation, digital-related or aviation-related industries using the AirAsia's size and strength as leverage (Business Development);
- f. to ensure a strong, positive and unique culture exists throughout AirAsia and becomes a strategic advantage to the company (Culture).


## 6.8 Roles of the CEO

6.8.1 The responsibilities of the CEO include, but are not limited to, the following:

- a. to achieve industry-leading financial results through strong and sustainable revenue as well as market share growth (Financial Responsibilities);

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Authority: Group Head of Legal, AirAsia Group Berhad


	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 22
---	-------------------------------------	---

- b. to achieve excellent internal operations that reduces costs and continually improve efficiencies (Operations Responsibilities);
- c. to manage regulators and governments so AirAsia gets maximum advantage to operate in all markets (Stakeholders Management Responsibilities);
- d. to improve customer experience so AirAsia's branding grows and achieves revenue and profitability growth (Customer Responsibilities);
- e. to hire, develop and retain key talents and grow the AirAsia culture (People Responsibilities).

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	<b>Board Charter</b> <b>Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 23
---	---	---

## 7.0 MATTERS RESERVED FOR THE BOARD


7.1 The following are matters specifically reserved for the Board's collective decision.

It may be varied from time to time as determined by the Board:

- a. Limits of authority, including any amendments thereto;
- b. Strategic business plan;
- c. Annual budget / plan;
- d. Audited and quarterly financial statements;
- e. Approval of new business activities and ventures of the Company;
- f. Terms of Reference for Board Committees;
- g. Appointment and/or removal of Company Secretary;
- h. Appointment or removal of External Auditors and Auditors' remuneration;
- i. Related Party Transactions ("RPTs");
- j. RPTs or Non-Mandated Recurrent RPTs regardless of value, except in the absence of binding commitment;
- k. Terms of Appointment for EDs and NEDs;
- l. Changes in group structure, e.g. acquisition and disposal of subsidiaries or issuance of new share capital;
- m. Constitution of AirAsia including any amendments thereto;
- n. The giving of any Guarantee (Except Bank Guarantees in connection with the operating business) or indemnity or the creation or issue of any debenture, mortgage, charge or other securities or interests over its assets by the Company.

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Authority: Group Head of Legal, AirAsia Group Berhad

	<b>Board Charter</b> Procedures	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 24
---	------------------------------------	---


## 8.0 DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

- 8.1 Directors shall have access to the Management and, as necessary and appropriate, to the Group's Independent Advisors to keep themselves fully informed of the Group's affairs and to enable them to make sound business judgements.
- 8.2 Directors shall have full and unrestricted access to information, records, properties and personnel of the Group in performing their duties.

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	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 25
---	-------------------------------------	---

## 9.0 DIVISION OF ROLES


9.1 The Board may, from time to time, establish committees considered appropriate to assist in carrying out its duties and responsibilities.

9.2 The Board delegates certain functions to the committees described in Table 9.0-1 to assist in the execution of its responsibilities.

**Table 9.0 - 1: Board Committees**

Committee	Description
a. Audit Committee (AC)	<ul style="list-style-type: none"> <li>i. The AC comprises of three (03) NEDs; two (02) of whom shall be Independent Directors.</li> <li>ii. The Chairman of the AC shall report to the Directors at Board meetings any salient matters raised at AC meetings that require the Board's notation, approval or decision, including, but not limited to, the financial reporting process.</li> <li>iii. The Board empowers the AC to ensure policies and procedures are in place to assess the suitability, objectivity and independence of the external auditor.</li> </ul>
b. Nomination and Remuneration Committee (NRC)	<ul style="list-style-type: none"> <li>i. The NRC comprises of three (03) NEDs and is chaired by the SID.</li> <li>ii. The Board delegates to the NRC the responsibility of ensuring that Board members and Senior Management have the necessary skills and experience, and that measures are in place to provide for the orderly succession of Board and Senior Management.</li> </ul>

Authority: Group Head of Legal, AirAsia Group Berhad


	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 26
---	-------------------------------------	---

Committee	Description
	iii. The appointment of the Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, gender, ethnicity as well as cultural and religious background.
c. Risk Management Committee (RMC)	i. The RMC contains majority of the Independent Directors. ii. The Board delegates the responsibility of reviewing the effectiveness of risk management to the RMC, which sets the risk appetite of the Company. iii. The RMC also reviews the risk management framework, processes and reports to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.
d. Safety Review Board (SRB)	i. The SRB comprises of two (02) NEDs and one (01) ED. ii. The SRB provides Board-level oversight and input to the management of safety within AirAsia's operations. iii. A meeting shall be held each quarter to review progress and trends in relation to Flight Safety and Airworthiness, Incident Reports, Investigations and Recommendations as well as Flight Data Analysis and Recommendations.

9.3 These committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their authority. Although the Board has granted discretionary authority to these committees to deliberate and decide on certain operational matters, the ultimate responsibility for final decision on all matters lies with the Board.

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Authority: Group Head of Legal, AirAsia Group Berhad

	<b>Board Charter Procedures</b>	Doc. No.	AA/LGL/S/007
		Date	20 May 18
		Issue 01	Rev 00
		Page	27

9.4 There must also be a clear division of roles and responsibilities between the Board and Management to ensure that there is a balance of power and authority.


9.5 The responsibilities of Management include the following:

**Table 9.0 - 2: Management Responsibilities**

a. Planning	i. Generate plans of action for immediate, short term, medium term and long-term periods
b. Organising	i. Organise the resources, particularly human resources, in the best possible manner. ii. Assemble and coordinate financial, physical, information and other resources needed to achieve the Company goals.
c. Directing	i. Stimulate high performance by employees. ii. Communicate and coordinate with employees to lead and enthuse them to work effectively together to achieve the goals and targets of the Company.
d. Controlling	i. Set performance standards that indicate progress towards long-term goals of the Company. ii. Evaluate the progress against the goals and targets of the Company and ensuring proper and timely execution of the same. iii. Periodically review, evaluate and monitor performance

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Authority: Group Head of Legal, AirAsia Group Berhad

	<b>Board Charter</b> Procedures	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 28
---	------------------------------------	---

## 10.0 COMPOSITION OF BOARD

- 10.1 The Board shall strive to achieve an optimum balance and dynamic mix of competencies and diverse skill sets amongst its Board members.


For further information on this, kindly refer to the Board Diversity Policy (Doc. No.: AA/PPL/S/003).

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	<b>Board Charter</b> <b>Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 29
---	---	---

## 11.0 BOARD MEMBERS

- 11.1 The appointment of members of the Board shall be by rotation, in accordance with the Constitution of AirAsia. All members of the Board shall be required to submit themselves for re-election at regular intervals of not more than three (03) years.
- 11.2 The appointment of members of the Board shall take place annually at AirAsia's Annual General Meeting.
- 11.3 The Board shall comprise of at least two (02) members and not more than twelve (12) members, as nominated by the NRC (Unless otherwise determined by ordinary resolution). At least two (02) of the total Board members or one-third (1/3) of the Board (Whichever is higher) must be Independent NEDs.
- 11.4 Each appointed Board member shall hold office until the earlier of:
- a. such time as the Board determines to terminate his / her appointment; or
  - b. the Board member ceases to be a member of the Board.
- 11.5 The tenure of an Independent Director should not exceed a cumulative term of nine (09) years.
- 11.6 Upon completion of the nine (09) years, an Independent Director may continue to serve in the Board subject to the Director's re-designation as a Non-Independent Director.
- 11.7 The Board must justify and seek shareholders' approval in the event it intends to retain an Independent Director who has served as for more than nine (09) years in the same capacity.

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Authority: Group Head of Legal, AirAsia Group Berhad


	<b>Board Charter</b> Procedures	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 30
---	------------------------------------	---

- 11.8 If the Board continues to retain the Independent Director after the twelfth year, the Board shall seek annual shareholders' approval through a two-tier voting process. However, it is not encouraged to retain an Independent Director for a period of more than twelve (12) years unless there is justification to do so.

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	<b>Board Charter</b> Procedures	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 31
---	------------------------------------	---


## 12.0 LIMIT ON DIRECTORSHIPS

- 12.1 The limit on the number of directorships that may be held at any one time by member of the Board are five (05) for any listed company, including the position on the Board of AirAsia or such other requirement as prescribed or approved by the MMLR.

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	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 32
---	-------------------------------------	---


### 13.0 CRITERIA OF AN INDEPENDENT DIRECTOR

- 13.1 The Board has established a formal and transparent process whereby the NRC is responsible to:
- a. identify candidates suitably qualified to become Board members including Independent Directors; and
  - b. make recommendations to the Board of such individuals for appointment by taking into considerations the competencies, commitment, contribution and performance of such potential candidates.
- 13.2 The NRC may also utilise independent sources (e.g. directors' registry, open advertisements or use independent search firms) to identify suitably-qualified candidates.
- 13.3 The ultimate decision on the appointment shall be the responsibility of the Board after considering the recommendations of the NRC.

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	<b>Board Charter</b> <b>Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 33
---	---	---

## 14.0 CONSULTATION PRIOR TO EXTERNAL APPOINTMENTS

14.1 The Board values the experience and perspective that the NEDs gain from their service in the Boards of other companies, organisations or associations. However, NEDs should first consult the Chairman prior to the acceptance of any relevant external appointments such as directorship of listed companies, organisations or other associations.


14.2 In any event, such commitments should not:

- a. cause a conflict of interest for the Director;
- b. affect the Director's independence;
- c. have potential reputational consequence to the Company; and / or
- d. place demands on the Director's time that could hinder their ability to attend Board meetings and discharge their responsibilities to the Company.

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	<b>Board Charter</b> Procedures	Doc. No.	AA/LGL/S/007
		Date	20 May 18
		Issue 01	Rev 00
		Page	34

## 15.0 REMUNERATION

15.1 The Board has established a formal and transparent process for approving the remuneration of the Director and the CEO.

15.2 The NRC is responsible of reviewing the remuneration policies that support AirAsia's shareholder values and long-term success. The NRC is also responsible of making recommendations on other matters, including, but not limited to:


- a. Directors' fees;
- b. salaries;
- c. allowances;
- d. bonuses;
- e. share options;
- f. benefits-in-kind.

15.3 The NRC shall ensure that compensation is consistent with AirAsia's business strategy and long-term objectives, including, but not limited to:

- a. attracting and retaining Directors and a CEO of requisite quality who can increase productivity and profitability in the long run;
- b. motivating and creating incentives for the Directors and the CEO to perform at their best; and
- c. focusing attention on the achievement of desired goals and objectives.

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	<b>Board Charter</b> Procedures	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 35
---	------------------------------------	---


## 16.0 QUORUM

- 16.1 The quorum for Board meetings shall be three (03) members, of whom one (01) must be independent.
- 16.2 A duly convened meeting of a Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion vested in or exercisable by the Board.

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	<b>Board Charter</b> <b>Procedures</b>	<table> <tr> <td>Doc. No.</td> <td>AA/LGL/S/007</td> </tr> <tr> <td>Date</td> <td>20 May 18</td> </tr> <tr> <td>Issue 01</td> <td>Rev 00</td> </tr> <tr> <td>Page</td> <td>36</td> </tr> </table>	Doc. No.	AA/LGL/S/007	Date	20 May 18	Issue 01	Rev 00	Page	36
Doc. No.	AA/LGL/S/007									
Date	20 May 18									
Issue 01	Rev 00									
Page	36									


## 17.0 FREQUENCY OF MEETINGS

- 17.1 The Board shall meet not less than once every three (03) months.
- 17.2 Meetings of the Board shall be called by the Secretary of the Board at the request of the Chairman.
- 17.3 Unless otherwise agreed, notice for each meeting confirming the venue, time, date and agenda of items to be discussed shall be forwarded to each member of the Board no later than seven (07) calendar days before the date of the meeting.
- 17.4 Reasonable time should be given for Board members and other attendees (As appropriate) to review and consider all relevant papers and materials prior to the Board meeting.
- Refer to the Paper to the Board and its Committees SOP (Doc. No.: MAA/LGL/S/003) for more details.
- 17.5 Each member of the Board is entitled to one (01) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes of the Board shall be the decision of the Board.
- 17.6 In the event of an equality of votes, the Chairman of the Board shall be entitled to a second or casting vote.
- 17.7 The Chairman shall not have a casting vote if there are only two (02) Directors (Being competent to vote) forming the quorum of a meeting.

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Authority: Group Head of Legal, AirAsia Group Berhad



	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 37
---	-------------------------------------	---


## 18.0 ATTENDANCE

- 18.1 The CEO (Where the CEO is not an ED) and Chief Financial Officer of the Company shall normally be invited to attend the meetings to assist in the deliberations and resolution of matters raised.
- 18.2 Where their expertise is required, any relevant officers within AirAsia group of companies or any external professionals may also be invited to attend the Board meetings.

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	<b>Board Charter</b> Procedures	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 38
---	------------------------------------	---


## 19.0 APPROVAL OF MINUTES / RESOLUTIONS

- 19.1 Approval of minutes and resolution shall be done by majority.
- 19.2 The Secretary of the Board shall minute the proceedings and resolutions of all Board meetings, including the names of those present and in attendance.
- 19.3 The minutes of the Board, when approved by the Board, should be circulated to all members of the Board in a timely manner.

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	<b>Board Charter</b> <b>Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 39
---	---	---


## 20.0 DIRECTORS' WRITTEN RESOLUTION

- 20.1 A resolution in writing signed by majority of the Directors shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.
- 20.2 All such resolutions shall be described as "Directors' Written Resolution" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the Company's Minutes Book.
- 20.3 Any such resolution may consist of several documents in the like form, each signed by one (01) or more Directors.
- 20.4 A signed Directors' Written Resolution transmitted by facsimile (Fax) or any other electronic means shall be deemed to be an original.

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	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 40
---	-------------------------------------	---

## 21.0 COMPANY SECRETARY

- 21.1 The appointment and removal of the Company Secretary is a matter for the Board as a whole.
- 21.2 The Board recognises the fact that the Company Secretary should be qualified and capable of carrying out the duties required.
- 21.3 The office of the Company Secretary shall be vacated if the Company Secretary resigns by leaving a notice in writing to the Company at the Company's Registered Office. Where a Company Secretary gives notice of resignation to the Directors, the Company Secretary shall cease to act as Company Secretary with immediate effect or on the date specified in such notice (As the case may be).
- 21.4 The roles of the Company Secretary shall include but not limited to the following:
- a. manage all Board and committee meeting logistics;
  - b. attend and record minutes of all Board and committee meetings;
  - c. facilitate Board communications;
  - d. advise the Board on its roles and responsibilities;
  - e. facilitate the orientation of new Directors and assist a Director in training and development;
  - f. advise the Board on corporate disclosures and compliance with the company and securities regulations and listing requirements;
  - g. manage processes pertaining to the annual shareholder meeting;
  - h. monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
  - i. serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

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	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 41
---	-------------------------------------	---


## 22.0 CODE OF CONDUCT

- 22.1 The Directors are to maintain the highest degree of integrity and professionalism while at the same time promote transparency and accountability in their actions.
- 22.2 AirAsia has in place a Code of Conduct and Ethics (Doc. No.: AA/PPL/S/002) establishing standards of ethical conduct for Directors, employees and, where applicable, counterparts and business partners of AirAsia.

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	<b>Board Charter</b> <b>Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 42
---	---	---


## 23.0 NEW DIRECTOR ORIENTATION AND CONTINUOUS EDUCATION

- 23.1 The Company Secretary undertakes the role as the coordinator to manage and co-ordinate the Directors' seminars and training requirements, which include the Mandatory Accreditation Programme ("MAP") for newly appointed Directors, pursuant to the Bursa Malaysia MMLR.
- 23.2 The Board should, on continuing basis, evaluate and determine the training needs of each Director particularly on relevant new law, regulations and essential practices for effective corporate governance and risk management to enable the Directors to effectively discharge their duties.

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	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 43
---	-------------------------------------	---

## 24.0 REVIEW OF THE BOARD CHARTER


24.1 The Board Charter shall be reviewed by the Board annually:

- a. to ensure its relevance in assisting the Board to discharge its duties with the changes in corporate laws and regulations that may arise from time to time; and;
- b. to remain consistent with the Board's objectives and responsibilities.

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	<b>Board Charter</b> Procedures	Doc. No.	AA/LGL/S/007
		Date	20 May 18
		Issue 01	Rev 00
		Page	44


## 25.0 PERFORMANCE MEASURES AND NON-CONFORMANCE CRITERIA

Activity	KPI
Board composition	<p>At least two (02) members and not more than twelve (12) members.</p> <p>At least two (02) of the total Board members or one-third (1/3) of the Board (Whichever is higher) must be Independent NEDs.</p>
Tenure as a Board member	Not more than three (03) years.
Tenure of an Independent Director	Not more than a cumulative term of nine (09) years.
The limit on the number of directorships that may be held by a Director at any one time	Five (05) for any listed company.
Frequency of Board meetings	Not less than once every three (03) months.
Quorum for Board meetings	Attendance by three (03) members, of whom one (01) must be independent.
Board evaluation	Once a year.
Notice for each meeting confirming the venue, time, date and agenda of items to be discussed	Forwarded to each member of the Board no later than seven (07) calendar days before the date of the meeting.
Approval of minutes and resolution	By majority.

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	<b>Board Charter Procedures</b>	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 45
---	-------------------------------------	---


## 26.0 LIST OF RECORDS

Form Name	Form Number	Owner
N/A		

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	<b>Board Charter</b> Procedures	Doc. No. AA/LGL/S/007 Date 20 May 18 Issue 01 Rev 00 Page 46
---	------------------------------------	---

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