



---

Policy

# Board Charter

---

Department:

Legal & Compliance

---

Document No. : MAA/LC/SOP/03

Issue : 02

Revision : 00

Issue Date : 05 April 2017

Revision Date : -

Control No. :

---

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

© 2017 AirAsia Berhad All rights reserved.

Information contained in this document is the property of AirAsia Berhad (“MAA”) and is disclosed in confidence to MAA employees and authorized persons stated in the Distribution List 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 MAA, 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 MAA or anyone authorized by the document owner in MAA.

For permission requests, kindly write to the relevant Document Control Center, addressed “*Attention: MAA Document Control Center,*” at the following address:

*AirAsia Berhad*

*RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur (klia2), 64000  
Selangor Darul Ehsan, Malaysia.*

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*



**Board Charter Policy**

**Issue 02 Revision 00**

**05 April 2017**

**Approval for**

**AirAsia Berhad**

---

**Prepared by**

Amir Faezal Zakaria  
Regional Head, Legal & Compliance

**Approved by**

Datuk Kamarudin Meranun  
Chairman for and on behalf of the Board


---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*






	<b>Board Charter Policy</b> Table of Content	Doc. No.    MAA/LC/SOP/04
		Date                      05 Apr 17
		Issue 02                      Rev 00
		Page                                      3

## TABLE OF CONTENT

<b>REVISION HISTORY</b> .....	<b>1</b>
<b>DISTRIBUTION CONTROL LIST</b> .....	<b>2</b>
<b>TABLE OF CONTENT</b> .....	<b>3</b>
<b>ABBREVIATIONS</b> .....	<b>5</b>
<b>DEFINITION OF TERMS</b> .....	<b>6</b>
<b>1.0 OBJECTIVES</b> .....	<b>7</b>
<b>2.0 SCOPE</b> .....	<b>7</b>
<b>3.0 RESPONSIBILITIES</b> .....	<b>7</b>
3.1 Principal Responsibilities of Board of Directors .....	7
3.2 Roles of Individual Directors.....	10
3.3 Roles of Non-Executive Directors (“NEDs”).....	10
3.4 Roles of Senior Independent Non-Executive Director.....	11
3.5 Roles of Executive Directors .....	12
3.6 Roles of Chairman .....	12
3.7 Roles of Group Chief Executive Officer .....	13
3.8 Roles of Chief Executive Officer (“CEO”) .....	13
<b>4.0 MATTERS RESERVED FOR THE BOARD</b> .....	<b>14</b>
<b>5.0 DIRECTORS ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS</b> .....	<b>14</b>
<b>6.0 DIVISION OF ROLES BETWEEN THE BOARD AND THE BOARD COMMITTEES AND BETWEEN THE BOARD AND MANAGEMENT</b> .....	<b>15</b>
<b>7.0 COMPOSITION OF BOARD</b> .....	<b>17</b>
<b>8.0 BOARD MEMBERS</b> .....	<b>17</b>

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Table of Content	Doc. No.    MAA/LC/SOP/04
		Date                      05 Apr 17
		Issue 02                      Rev 00
		Page                              4

<b>9.0</b>	<b>LIMIT ON DIRECTORSHIPS .....</b>	<b>18</b>
<b>10.0</b>	<b>CRITERIA OF AN INDEPENDENT DIRECTOR .....</b>	<b>18</b>
<b>11.0</b>	<b>CONSULTATION PRIOR TO EXTERNAL APPOINTMENTS .....</b>	<b>18</b>
<b>12.0</b>	<b>REMUNERATION.....</b>	<b>19</b>
<b>13.0</b>	<b>QUORUM .....</b>	<b>19</b>
<b>14.0</b>	<b>FREQUENCY OF MEETINGS .....</b>	<b>19</b>
<b>15.0</b>	<b>ATTENDANCE .....</b>	<b>20</b>
<b>16.0</b>	<b>APPROVAL OF MINUTES/RESOLUTIONS.....</b>	<b>20</b>
<b>17.0</b>	<b>DIRECTOR’S WRITTEN RESOLUTION.....</b>	<b>20</b>
<b>18.0</b>	<b>COMPANY SECRETARY .....</b>	<b>21</b>
<b>19.0</b>	<b>CODE OF CONDUCT .....</b>	<b>21</b>
<b>20.0</b>	<b>NEW DIRECTOR ORIENTATION AND CONTINUOUS EDUCATION .....</b>	<b>21</b>
<b>21.0</b>	<b>REVIEW OF THE BOARD CHARTER.....</b>	<b>21</b>

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Abbreviations	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                            5
---	--	---

**ABBREVIATIONS**


Abbreviation	Full Term
N/A	

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*



	<b>Board Charter Policy</b> Definition of Terms	Doc. No.    MAA/LC/SOP/04 Date                      05 Apr 17 Issue 02                      Rev 00 Page                              6
---	--	---


**DEFINITION OF TERMS**

N/A

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      7
---	---------------------------------------	---

## 1.0 OBJECTIVE

The **Board of Directors** (“**Board**”) of **AirAsia Berhad** (“**AirAsia**” or the “**Company**”) are committed to uphold the highest standards of corporate governance throughout the Company and its subsidiaries (“**the Group**”). The Board Charter sets out the authority, responsibilities, membership and operation of the Board of AirAsia, adopting principles of good corporate governance and practice, that accord with applicable laws.

The AirAsia Board is regulated by The Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad (“**MMLR**”) including but not limited to the Capital Markets and Services Act 2007 (“**CMSA**”), the Companies Act 2016 (“**CA**”), the Malaysian Code on Corporate Governance 2012 issued by the Securities Commission (“**MCCG**”) and the provisions of the Memorandum and Articles of Association of AirAsia as well as all applicable laws, regulations and guidelines.

## 2.0 SCOPE

To actively oversee the conduct and direct the management of the business and affairs of AirAsia towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholders value and safeguarding the interests of stakeholders.

## 3.0 RESPONSIBILITIES


### 3.1 Principal Responsibilities of Board of Directors

- a. To review and approve strategies, business plans and key policies for AirAsia and monitor management’s performance in implementing them;
- b. To set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout AirAsia;
- c. 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 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;
- d. To oversee the conduct of AirAsia’s business and ensure that the management of AirAsia is competent and effective;
- e. To ensure that there shall be unrestricted access to independent advice or expert advice at

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      8
---	---------------------------------------	---


AirAsia's expense in furtherance of the Board's duties (whether as a Board or a director in his / her individual capacity);

- f. 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;
- g. To ensure that the operations of AirAsia are conducted prudently, and within the framework of relevant laws and regulations;
- h. To establish, approve, review, and monitor AirAsia's risk appetite and comprehensive risk management policies, processes and infrastructure, and receive regular reports therein;
- i. To approve delegated authority for expenditure, lending, and other risk exposures;
- j. To consider emerging issues which may be material to the business and affairs of AirAsia and ensure that AirAsia has a proper succession plan for its senior management and executive Directors. Succession planning including the selection, training, appointment, monitoring evaluation and, if necessary, the replacement of the senior management to ensure management succession.
- k. To keep under review and maintain AirAsia's capital and liquidity positions as well as ensure that AirAsia's strategies promote sustainability;
- l. To review and approve proposals for the allocation of capital and other resources within AirAsia;
- m. To review and approve AirAsia's annual capital and revenue budgets (and any material changes thereto);
- n. To ensure that the Board has adequate procedures in place to receive reports periodically and / or on a timely basis from AirAsia's management that would provide the Board with a reasonable basis to make proper judgement on an ongoing basis as to the financial position and business prospects of AirAsia;
- o. 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 material and significant statements issued to shareholders;
- p. 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;
- q. To establish an internal audit function in order to obtain assurance of regular review and/or appraisal of the effectiveness of the system of internal controls within the Company. The

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      9
---	---------------------------------------	---


Board should explain in summary the means that exist for obtaining such assurance of regular review and/or appraisal.

- r. 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;
- s. To establish and ensure the effective functioning and monitoring of the Audit, Nomination and Remuneration committees and Safety Review Board and any other committees as deemed necessary by the Board, and to delegate appropriate authority and terms of reference to such committees established by the Board;
- t. To review an Audit Committee report at the end of each financial year that will be clearly set out in the annual report of AirAsia;
- u. To look at and to address their mind to major and/or material litigation situations against the Group as and when they arise;
- v. To ensure that AirAsia has a beneficial influence on the economic well-being of its community;
- w. To ensure that AirAsia has in place a policy 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;
- x. To receive and consider high level reports on matters material to AirAsia, in particular:
  - i. relations with regulatory authorities;
  - ii. health and safety;
  - iii. insurance cover;
  - iv. disaster recovery
  - v. litigation and claims;
  - vi. premises; and
  - vii. public relations
- y. To receive the minutes of and/or reports from the committees established by the Board;
- z. To review and agree to changes in the terms of reference of AirAsia's Board and committees established by the Board;
- aa. To strive to achieve an optimum balance and dynamic mix of competent and diverse skill sets amongst the Board members;
- bb. To ensure adequate training of members of the Board;
- cc. To undertake an assessment of the independence of its independent directors annually in

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      10
---	---------------------------------------	--

accordance with the assessment criteria to be developed by the Nomination and Remuneration Committee;

- dd. To conduct a Board evaluation through the Nomination and Remuneration Committee comprising of Board Assessment and an Individual Assessment. The assessment of the Board 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. For Individual (Self & Peer) Assessment, the assessment criteria include contribution to interaction, role and duties, knowledge and integrity and assessment of independence;
- ee. To undertake a proper process for Directors’ selection through Nomination and Remuneration Committee; and
- ff. To establish formal and transparent remuneration policies and procedures to attract and retain directors through the Nomination and Remuneration Committee.

### 3.2 Roles of Individual Directors

- 3.2.1 A Director shall at all times exercise his powers in good faith and in the best interest of the Company and 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 virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.
- 3.2.2 A Director shall at all times 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 give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the CA.

### 3.3 Roles of Non-Executive Directors (“NEDs”)


NEDs are persons of caliber, credibility and have the necessary skill and experience to bring an independent judgment to bear on the issues of strategy, performance and resources, including key appointments and standards of conduct.

- a. NEDs are required to make an independent assessment of the information, reports or

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      11
---	---------------------------------------	--

statements, having regard to the directors' knowledge, experience and competence, to provide an independent view and demonstrate objectivity in reviewing and challenging the management's proposals at meetings.

- b. NEDs are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development and trend, and enable them to sustain their active participation in Board deliberations.
- c. NEDs act as a channel of communication between Management, shareholders and other stakeholders and provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied

### 3.4 Roles of Senior Independent Non-Executive Director


The Board approves the appointment of a Senior Independent Non-Executive Director ("SID") and the SID shall have specific responsibilities which include, to:

- a. 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 or CEO;
- b. Serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues;
- c. Ensure all Independent Directors have the opportunity to provide input on the agenda, and 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;
- d. Consult with the Chairman regarding Board meeting schedules to ensure Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;
- e. Preside at all meetings of the Board at which the Chairman is not present and call for meetings of the Independent directors.

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      12
---	---------------------------------------	--

### 3.5 Roles of Executive Directors

The executive director (or in the absence of an executive director, the Chief Executive Officer) whose responsibilities include, but are not limited to the following:

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

### 3.6 Roles of Chairman

The Chairman of the Board shall be appointed by the Board and may hold any executive office with the Company. However, the position of the Chairman and Chief Executive Officer must be held by different individuals. In the absence of the Chairman and/or an appointed deputy in any meeting, the remaining members present shall elect one of themselves to chair the meeting in accordance with the provisions set out in the Articles of Association of AirAsia.


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 monitor the workings of the Board and conduct of the Board meeting;
- c. To ensure all relevant issues for the effective running of AirAsia's business are on the agenda for Board meetings;
- d. To ensure that quality information to facilitate decision-making is delivered to Board members on a timely basis;
- e. To encourage all directors to play an active role in Board activities;
- f. To chair general meetings of shareholders; and
- g. To liaise with the Chief Executive Officer and Company Secretary on the agenda for Board meetings.

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04
		Date                    05 Apr 17
		Issue 02                Rev 00
		Page                      13

### 3.7 Roles of Group Chief Executive Officer

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

- a. Business direction - to steer and direct the business of the Group'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.
- b. Strategies - to develop and implement and monitor strategies that incorporate leading business thinking and best practices from all industries and sectors to advance the business of the Group.
- c. Talent and Succession - to recruit and mentor and coach and guide the senior management team of AirAsia Berhad as well as the group to ensure optimal performance as well as strong succession.
- d. External Interface - to be the face of the group in interactions where the interests of the Group as a whole is critical.
- e. Business Development - to explore for new business opportunities within aviation or aviation related industries where we can leverage on our size and strength.
- f. Culture - to ensure a strong and positive and unique AirAsia culture exists everywhere through the Group that can become a strategic advantage to the Group

### 3.8 Roles of Chief Executive Officer ("CEO")

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


- a. Financial Responsibilities - to achieve industry leading financial results through strong and sustainable revenue and market share growth
- b. Operations Responsibilities - achieve excellent internal operations that reduces costs and continually improve efficiencies
- c. Stakeholders Management Responsibilities - manage the regulators and governments to ensure we get maximum possible advantage to operate in all our markets
- d. Customer Responsibilities - improve customers experience to grow our branding and achieve revenue and profitability growth
- e. People Responsibilities - hire and develop key talents and grow the AirAsia culture.

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*



	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      14
---	---------------------------------------	--

#### 4.0 MATTERS RESERVED FOR THE BOARD

The following are matters specifically reserved for collective decision of the Board which 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 of 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 of Executive and non-Executive Directors.
- l. Changes in group structure e.g. acquisition and disposal of subsidiaries, issuance of new share capital.
- m. Memorandum and Articles of Association including any amendments thereto.
- n. The giving of any guarantee (with the exception of bank guarantee in connection with the operating business) or indemnity or the creation or issue of any debenture, mortgage, charge or other security or interest over its assets by the Company.


#### 5.0 DIRECTORS ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

Directors shall have access to management and as necessary and appropriate, to the Group's independent advisors, in order to keep themselves fully informed of the Group's affairs and to enable them to make sound business judgments. Directors shall have full and unrestricted access to information, records, properties and personnel of the Group in performing their duties.

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      15
---	---------------------------------------	--

## 6.0 DIVISION OF ROLES BETWEEN THE BOARD AND THE BOARD COMMITTEES AND BETWEEN THE BOARD AND MANAGEMENT

6.1 The Board may from time to time establish committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the following committees to assist in the execution of its responsibilities:

a. Audit Committee (“AC”)

- i. The AC shall comprise three (3) Non-Executive Directors of whom two (2) shall be Independent Non-Executive Directors.
- ii. The Chairman of the AC would report to the Directors at Board meetings, of any salient matters raised at the AC meetings and which require the Board’s notation, approval or decision.
- iii. The Board has delegated the responsibility of reviewing the effectiveness of risk management to the AC. The AC also reviews the risk management framework, processes and reports.

b. Nomination and Remuneration Committee (“NRC”)

The NRC comprises three Non-Executive Directors and the primary responsibility of the NRC is in accordance with its terms of reference which is available on the Company’s website [www.airasia.com](http://www.airasia.com).

c. Safety Review Board (“SRB”)


The SRB was established with the purpose of providing Board level oversight and input to the management of Safety within AirAsia’s operations. The Board appoints the Chairman of the Committee and a meeting is held each quarter to review progress and trends in relation to Flight Safety & Airworthiness, Incident Reports, Investigations and recommendations and Flight Data Analysis and Recommendations. The Committee comprises two Non-Executive Directors and one Executive Director.

6.1.1 The 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

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      16
---	---------------------------------------	--

Committees to deliberate and decide on certain operational matters, the ultimate responsibility for final decision on all matters lies with the Board.

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


The responsibilities of Management include the following:

- a. **Planning:** generating plans of action for immediate, short term, medium term and long term periods;
- b. **Organising:** organising the resources, particularly human resources, in the best possible manner. Assembling and coordinating financial, physical, information and other resources needed to achieve the Company goals;
- c. **Directing:** stimulate high performance by employees, communicating and coordinating with employees to lead and enthuse them to work effectively together to achieve the goals and targets of the Company;
- d. **Controlling:** setting performance standards that indicate progress towards long-term goals of the Company. Evaluating the progress against the goals and targets of the Company and ensuring proper and timely execution of the same. Periodically review, evaluate and monitor performance.

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      17
---	---------------------------------------	--

## 7.0 COMPOSITION OF BOARD

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

## 8.0 BOARD MEMBERS

The appointment of members of the Board shall take place annually at AirAsia's annual general meeting by rotation in accordance with the Articles of Association of AirAsia.

All members of the Board shall be required to submit themselves for re-election at regular intervals of not more than three (3) years in accordance with the Company's Articles of Association.

The Board shall comprise at least two (2) members and (unless otherwise determined by ordinary resolution) not more than twelve (12) members, to be nominated by the Nomination and Remuneration Committee. At least two (2) of the total Board members or 1/3 of the Board (whichever is higher) must be independent and non-executive directors.


Each appointed Board member shall hold office until the earlier of (i) such time as the Board determines to terminate his/her appointment or (ii) the Board member ceases to be a member of the Board.

The tenure of an independent director should not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. The Board must justify and seek shareholders' approval in the event it intends to retain as an independent director, a person who has served in that capacity for more than nine years.

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      18
---	---------------------------------------	--

## 9.0 LIMIT ON DIRECTORSHIPS

The limit on the number of directorships that may be held at any one time by member of the Board are 5 for any listed companies, including the position on the Board of AirAsia or such other requirement as prescribed or approved by the MMLR.

## 10.0 CRITERIA OF AN INDEPENDENT DIRECTOR

The Board has established a formal and transparent process whereby the NRC is responsible to identify candidates suitably qualified to become Board members including Independent Directors and make recommendations to the Board of such individuals for appointment by taking into considerations the competencies, commitment, contribution and performance of such potential candidates. The ultimate decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the NRC.

## 11.0 CONSULTATION PRIOR TO EXTERNAL APPOINTMENTS


The Board values the experience and perspective that the Non-Executive directors gain from service on the Boards of other companies, organisations or associations. However, prior to the acceptance of any relevant external appointments such as directorship of listed companies, organisations or other associations, Non-Executive directors should first consult with the Chairman on such proposed appointment. 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 Bank; 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

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      19
---	---------------------------------------	--

## 12.0 REMUNERATION

The Board has established a formal and transparent process for approving the remuneration of the Director and the CEO, whereby the NRC is responsible for reviewing the remuneration policy and making recommendations on, including but not limited to, directors' fees, salaries, allowances, bonuses, share options and benefits-in-kind that support AirAsia's long-term success and shareholder value, and ensure that compensation is consistent with AirAsia's business strategy and longterm objectives, including but not limited to:

- a. Attracting and retaining directors and a CEO of requisite quality that increases productivity and profitability in the long run;
- b. Motivating and creating incentives for directors and the CEO to perform at their best; and
- c. Focusing attention on the achievement of desired goals and objectives.

## 13.0 QUORUM

The quorum for meetings shall be three (3) members of whom one (1) must be independent. 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.

## 14.0 FREQUENCY OF MEETINGS

The Board shall meet not less than once every three (3) months. Meetings of the Board shall be called by the Secretary of the Board at the request of the Chairman. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Board no later than seven (7) calendar days before the date of the meeting. Reasonable time should be given for Board members and to other attendees as appropriate, to consider all relevant papers and materials prior to the Board meeting.


Each member of the Board is entitled to one (1) 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.

In the event of an equality of votes, the Chairman of the Board shall be entitled to a second or casting vote. The Chairman shall not have a casting vote if there are only two (2) Directors (being

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      20
---	---------------------------------------	--

competent to vote) forming the quorum of a meeting.

## 15.0 ATTENDANCE

The Chief Executive Officer (where the chief executive officer is not an Executive Director) 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. Where their expertise is required, AirAsia management or any other external professionals may also be invited to attend the Board meetings.

## 16.0 APPROVAL OF MINUTES / RESOLUTIONS

By majority.

The Secretary of the Board shall minute the proceedings and resolutions of all Board meetings, including the names of those present and in attendance.

The minutes of the Board, when approved by the Board should be circulated to all members of the Board.

## 17.0 DIRECTOR'S WRITTEN RESOLUTION


A resolution in writing signed by a majority of all Directors shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. All such resolutions shall be described as "Directors' Written Resolutions" 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.

Any such resolution may consist of several documents in the like form, each signed by one (1) or more Directors. A signed Directors' Written Resolution transmitted by facsimile (fax) or any other electronic means shall be deemed to be an original.

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*

	<b>Board Charter Policy</b> Policy	Doc. No.    MAA/LC/SOP/04 Date                    05 Apr 17 Issue 02                Rev 00 Page                      21
---	---------------------------------------	--

## 18.0 COMPANY SECRETARY

- a. The appointment and removal of the Company Secretary is a matter for the Board as a whole.
- b. The Board recognises the fact that the Company Secretary should be qualified and capable of carrying out the duties required.
- c. The office of the Company Secretary shall be vacated if the Company Secretary resigns by notice in writing to the Company left at the Registered Office of the Company. 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).

## 19.0 CODE OF CONDUCT

The Directors are to maintain the highest degree of integrity and professionalism while at the same time promoting transparency and accountability in their actions. AirAsia has in place a Code of Conduct establishing standards of ethical conduct for Directors, employees and where applicable, counterparts and business partners of AirAsia.

## 20.0 NEW DIRECTOR ORIENTATION AND CONTINUOUS EDUCATION

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 Main Market Listing Requirements ("Bursa Malaysia"). The Board should on continuing basis evaluate and determine the training needs of each Director, particularly on relevant new law and regulations and essential practices for effective corporate governance and risk management to enable the Directors to effectively discharge their duties.

## 21.0 REVIEW OF THE BOARD CHARTER

The Board Charter shall be reviewed by the Board annually to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities.

---

Authority: Regional Head, Legal & Compliance, AirAsia Berhad

*Strictly for internal use only. The approved Master Copy of this document is held by the Document Control Centre. Any other copy, either electronic or paper, is an uncontrolled copy and must be deleted and destroyed when it has served its purpose.*