



Standard Operating Procedures

Board Charter

Department

Group Governance and Company Secretarial

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Board Charter
Issue 01 Revision 02
03 October 2023
Capital A Berhad

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BOARD OF DIRECTORS OF CAPITAL A BERHAD
Revised SOP Approval Date:

Approval Reference: Directors' Written Resolution dated 30 November 2023

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REVISION HISTORY

Revision History records the trail of revisions made to the SOP, the reason of the revisions and the tracking of Process Change Request (PCR) submitted by the Process Owner. Revision History is the responsibility of Document Control Centre 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	OQA/PCR/21/135	16 Jun 21	17 Jun 21	The Document No. AA/LGL/S/007, Issue 01 Revision 01 should be obsolete once this document is effective. Kindly note that the new Document No. AA/GCS/S/001 has superseded the previous issue.
01	01		3 Dec 21	29 Dec 2021	
01	02		3 Oct 23	30 November 2023	

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ABBREVIATIONS

Abbreviation	Full Term
Capital A	Capital A Berhad
AC	Audit Committee
CA	Companies Act, 2016
CEO	Chief Executive Officer
CMSA	Capital Markets and Services Act 2007
CPCO	Chief People & Culture Officer
ED	Executive Director
ESG	Environmental, Social and Governance factors that measure the ethical impact and sustainability in a company
GCEO	Group Chief Executive Officer
CFO	Chief Financial Officer
GIAD	Group Internal Audit Department
GSD	Group Sustainability Department
KUL	IATA Code for Kuala Lumpur
LOA	Limits of Authority
MAP	Mandatory Accreditation Programme
MCCG	Malaysian Code on Corporate Governance 2021

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Abbreviation	Full Term
MMLR	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
NED	Non-Executive Director
NRC	Nomination and Remuneration Committee
OQA	Operational Quality Assurance
PAC	People & Culture Department
PCR	Process Change Request
SRMC	Sustainability & Risk Management Committee
RMD	Risk Management Department
RPT	Related Party Transactions
SID	Senior Independent Non-Executive Director of Capital A
SOP	Standard Operating Procedures
SRB	Safety Review Board
TOR	Terms of Reference

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DEFINITION OF TERMS

Term	Definition
Capital A or Group	Capital A and all subsidiaries.
Board	Board of Directors.
Board Assessment	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 CEO's performance, succession planning and Board governance.
Bursa Malaysia	Bursa Malaysia Securities Berhad.
Constitution	A document that defines a company's existence and sets out the rules and controls governing a company. The Constitution of Capital A complies with the provisions in the MMLR and is approved by Capital A's shareholders.
Directors' Written Resolution	A resolution in writing signed by the Directors in accordance with the Constitution. It shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

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Term	Definition
Independent Advisors	Third-party advisors appointed by the Board.
Individual Director (Self and Peer) Assessment	An evaluation on the Board of Capital A conducted by the NRC based on contribution to interaction, role and duties, knowledge and integrity as well as assessment of independence.
Non-Executive Directors	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.
Senior Management	Has the meaning as defined in the TOR of the NRC.
Succession Planning	The process of selecting, training, appointing, monitoring, evaluating and, if warranted, replacing any Senior Management to ensure succession.

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1.0 OBJECTIVES

The Board Charter sets out the Board's strategic intent and outlines the roles and powers that the Board specifically reserves for itself, and those which it delegates to Management and in so doing, also sets the tone of the various Board Committees.

2.0 SCOPE/PURPOSE

This Board Charter serves as a reference to the Board members in executing their responsibilities. The provisions contained in this Board Charter neither replace nor supersede the laws of Malaysia or the applicable regulatory frameworks.

3.0 RESPONSIBILITIES

3.1 Group Company Secretary and Managing Counsel

Ensure that the Board Charter is updated from time to time to ensure compliance with the relevant laws and regulations in Malaysia.

4.0 REFERENCE DOCUMENTS

Title	Document ID
Code of Conduct and Ethics SOP	AA/PPL/S/004
Board Diversity Policy	AA/PPL/S/003
Constitution of Capital A	n/a
Main Market Listing Requirements (Bursa Malaysia Securities Berhad)	n/a
Capital Markets and Services Act 2007	n/a

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Companies Act 2016	n/a
Malaysian Code on Corporate Governance 2021 (Securities Commission)	n/a
Code of Ethics for Company Directors and Company Secretary (Companies Commission of Malaysia)	n/a

5.0 INTRODUCTION

- 5.1** The Board is committed in upholding the highest standards of corporate governance throughout Capital A.
- 5.2** The role of the Board is to promote and protect the interests of the Group. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and other stakeholders are understood and met. The Board also provides thought leadership and advice in fine-tuning corporate strategies, championing good governance and ethical practices, and ensures the effective execution of the Group's strategies.
- 5.3** 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.
- 5.4** The Board is regulated by, amongst others:
- a. the MMLR;
 - b. the CMSA;
 - c. the CA;
 - d. the MCCG issued by the Securities Commission;
 - e. the provisions of the Constitution; and
 - f. applicable laws, regulations and guidelines.

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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 Capital A and monitor management's performance in implementing them.
- 6.1.2 To set corporate values and clear lines of responsibility and accountability, including governance systems and processes and limits of authority that are communicated throughout Capital A.
- 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 Capital A's business and ensure that the management of Capital A is competent and effective and that the operations of Capital A are conducted prudently and within the framework of relevant laws and regulations.
- 6.1.5 To ensure that there shall be unrestricted access to independent advice or expert advice at Capital A'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 Capital A and ensure compliance thereof.
- 6.1.7 To establish, approve, review and monitor Capital A's risk appetite and comprehensive risk management policies, processes and infrastructure.
- 6.1.8 To approve delegated authority for expenditure, lending and other risk exposures.
- 6.1.9 To consider emerging issues that may be material to the business and affairs of Capital A.

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- 6.1.10 To ensure that Capital A 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.
- 6.1.11 To keep under review and maintain Capital A's capital and liquidity positions; as well as ensure that the strategic plan of Capital A supports long-term value creation and includes strategies on ESG/economic, environmental and social considerations underpinning sustainability.
- 6.1.12 To review and approve proposals for the allocation of capital and other resources within Capital A, in accordance with the LOA within the Group as approved by the Board.
- 6.1.13 To review and approve Capital A's annual capital and revenue budgets (including any material changes thereto).
- 6.1.14 To ensure that the Board has adequate procedures in place to receive reports from Capital A's management periodically and/or in a timely manner so the Board has reasonable grounds to make proper judgement on the financial position and business prospects of Capital A on an ongoing basis. This shall include regular reports from the business and functional units (e.g. Finance, RMD, GIAD, PAC, GSD, etc.), wherever relevant or as and when required by the Board.
- 6.1.15 To approve Capital A's annual reports and unaudited periodic financial statements, if any, 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.
- 6.1.16 To develop and review the internal control framework and management information systems, for the Group including systems for complying with applicable laws, regulations, rules, directives and guidelines.
- 6.1.17 To establish an internal audit function to obtain assurance of regular review and/or appraisal of the effectiveness of the internal control systems within Capital A. The Board should explain in summary the method used to establish such function/process.

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- 6.1.18 To establish procedures to assess any related party transactions or conflict of interest situations that may arise within Capital A, including any transaction, procedure or course of conduct that raises questions of management integrity.
- 6.1.19 To establish and ensure the effective functioning and monitoring of the AC, NRC, SRMC and any other committees deemed necessary by the Board and to delegate appropriate authority and establish TORs for such committees as approved by the Board.
- 6.1.20 To receive the minutes of and/or reports from the committees it established.
- 6.1.21 To review and agree on changes, when required, to the TORs of the committees it established.
- 6.1.22 To review the AC report, and other relevant reports which are set out clearly in the annual report of Capital A at the end of each financial year.
- 6.1.23 To look into and address major and/or material litigation matters against Capital A as and when they arise.
- 6.1.24 To ensure that Capital A has a beneficial influence on the economic well-being of its community.
- 6.1.25 To ensure that Capital A 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 Capital A.
- 6.1.26 To receive and consider high-level reports on matters material to Capital A, in particular, but not limited to, the following matters:
- 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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6.1.27 To strive to achieve an optimum balance and dynamic mix of competent and diverse skillsets amongst the members of the Board.

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

6.1.29 To conduct an annual performance evaluation on the Board of Capital A through the following 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.

6.1.30 To undertake a proper process to select a Director through the NRC and in accordance with the Nomination Policy and Remuneration Policy Statement approved by the Board.

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

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 Board. Every Director shall provide notice of such events and

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matters relating to him/her that may be necessary or expedient for Capital A and its officers to comply with the requirements of the CA and/or other applicable laws and regulations.

6.3 Roles of NEDs

- 6.3.1 NEDs 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 competence, to provide an independent view and demonstrate objectivity in reviewing and challenging the management's proposals.
- 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 SID

- 6.4.1 The Board approves the appointment of a SID.
- 6.4.2 The SID shall have specific responsibilities, which includes, but are not limited to the following matters:
- 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, GCEO or CEO;

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- 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 and/or proposal;
- 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; and
- g. to call for meetings of the Independent Directors.

6.5 Roles of EDs

6.5.1 The responsibilities of an 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, and in accordance with the LOA of the Group, the efficient and effective day-to-day management of Capital A;
- b. to establish and implement the strategic direction of Capital A, as approved by the Board;
- c. to make recommendations to the Board on matters relating to the business and operations of Capital A; and
- d. to identify and ensure all material matters affecting Capital A are brought to the attention of the Board.

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6.6 Roles of the 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 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.
- 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 GCEO/CEO and Company Secretary on the agenda for Board meetings.
 - e. to ensure all relevant issues for the effective running of Capital A'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; and
 - j. to chair general meetings for shareholders.

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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 Capital A'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 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's business (Strategies);
- c. to recruit, mentor, coach and guide the Senior Management teams within Capital A to ensure optimal performance and strong succession (Talent and Succession);
- d. to be the face of Capital A in interactions where the interests of the Group as a whole are critical (External Interface);
- e. to explore new business opportunities within the digital, aviation, digital-related or aviation-related industries by leveraging Capital A's size and strength (Business Development); and
- f. to ensure a strong, positive and unique culture exists throughout the Group and becomes a strategic advantage for the Group (Culture).

6.8 Roles of the Respective Presidents/CEOs

6.8.1 The responsibilities of the respective Presidents/CEOs in Capital A 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);
- b. to achieve excellent internal operations that reduces costs and continually improve efficiencies (Operational Responsibilities);
- c. to manage regulators and governments so the Group gets maximum advantage to operate in all markets (Stakeholders Management Responsibilities);

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- d. to improve customer experience so AirAsia's branding grows and achieves revenue and profitability growth (Customer Responsibilities); and
- e. to hire, develop and retain key talents and grow the Capital A culture (People Responsibilities).

7.0 MATTERS RESERVED FOR THE CAPITAL A BOARD

7.1 The following are matters specifically reserved for the Capital A Board's collective decision. It may be varied from time to time as determined by the Board of Capital A:

- a. The LOA within the Group, including any amendments thereto;
- b. Strategic business plan(s) for the Group;
- c. Annual budget/plan;
- d. Audited and quarterly financial statements;
- e. Approval of new business activities and ventures;
- f. TOR for Board Committees established by the Board;
- g. Appointment and/or removal of the Group Company Secretary;
- h. Appointment or removal of External Auditors and Auditors' remuneration;
- i. RPTs within the Group, subject to recommendation from the AC;
- j. Recurrent RPTs or Non-Mandated Recurrent RPTs regardless of value, except in the absence of binding commitment, subject to recommendation from the AC;
- k. Terms of appointment for EDs and NEDs;
- l. Changes in the corporate structure, e.g. acquisition and disposal of subsidiaries or issuance of new share capital, subject to the LOA of the Group;
- m. Constitution, including any amendments thereto to be recommended to the shareholders of Capital A for approval;
- 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 Capital A;
- o. Policies/Standard Operating Procedures for the Group, including any amendments thereto.

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- 7.2** Notwithstanding the above and anything to the contrary herein stated, and subject to the provisions of the MMLR, CA and the Constitution of Capital A, approvals of the matters listed in items 7.1(c) to (h) and (k) to (m) shall be delegated to the Board of respective subsidiaries, but will be limited to the transactions as detailed in the relevant LOA approved by Capital A.
- 7.3** With regard to item 7.1(k), the Board of the respective subsidiaries shall have the authority to decide on the appointment and terms of appointment of directors on the Boards, with the exception of such directors' remuneration and benefits which shall be recommended by the NRC and approved by the Board of Capital A.
- 7.4** The items in the table below cannot be delegated to the Board of the subsidiaries and will continue to require the Capital A Board's approval pursuant to the CA and MMLR:

a. **CA:**

Section	Subject
28	Change of name
32	Adoption of constitution
36	Alteration or amendment to constitution
40	Conversion from an unlimited company to a limited company
41	Conversion from public companies to private companies or private companies to public companies
76	Allotment of shares or grant of rights
84	Power of company to alter its share capital
86	Conversion of shares into stock

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Section	Subject
91	Variation of class rights
115, 117	Reduction of Share Capital
126	Financial assistance not exceeding ten per centum of shareholders' funds (not applicable for public listed companies)
130	Power to pay interest out of capital
191	Variation of contracts referred to in prospectus
205	Re-election of directors
206	Removal of directors by shareholder(s)
208	Re-election of directors due to casual vacancy
218	Prohibition against improper use of property, position, etc.
223	Acquisition or disposal of substantial undertaking or property
224	Loans to directors
227	Payment to directors for loss of office, etc.
228	Transactions with directors, substantial shareholders or connected persons
230	Approval for fees of directors
271	Appointment of auditors of public company
276	Removal of auditors
432, 439	Voluntary winding-up
445	Removal of liquidator
446	Power to fill vacancy in office of liquidator

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b. MMLR:

Paragraph	Subject
6.06	Allotment of shares / other convertible securities to directors (Apply to both Capital A and its subsidiaries)
6.44	Share issuance scheme
8.21	Material dilution of principal subsidiary (25% or more)
8.23	Financial assistance to associated company or joint arrangement exceeding 5% or more of the net tangible assets of the group
10.07	Transactions with percentage ratio of 25% or more
10.08	Related party transactions with percentage ratio of 5% or more
10.13	Diversification in operations carried out by a listed issuer

7.5 For purposes of clarity, in the event the authority for a matter is not stated in this Board Charter, the authority of the Board for that matter shall be as provided in the LOA of the Group. In the event of any conflict or inconsistency between the authority stipulated herein and any provision of the LOA within the Group, the authority for approval stipulated herein shall prevail, subject always to the provisions of the MMLR, CA and Constitution.

8.0 DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

8.1 Directors shall have access to the respective management personnel and, as necessary and appropriate, to Independent Advisors to keep themselves fully informed of the Group's affairs and to enable them to make sound business judgements.

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8.2 Directors shall have full and unrestricted access to the relevant information, records, properties and personnel of the Group in performing their duties.

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 to assist in the execution of its responsibilities. Some of these functions include, but are not limited to, those described in Table 9.0-1 below, and other roles and responsibilities of the committees are stipulated in the respective TORs.

Table 9.0-1: Board Committees of Capital A

Committee	Description
a. Audit Committee (AC)	i. The AC shall comprise at least three (03) NEDs, a majority of whom shall be Independent Directors. No alternate director shall be appointed as a member of the AC. 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, financial reporting, internal controls, and RPTs. iii. The Board also empowers the AC to ensure policies and procedures are in place to assess the suitability, objectivity and independence of the external auditor.

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<p>b. Nomination and Remuneration Committee (NRC)</p>	<ul style="list-style-type: none"> i. The NRC shall comprise at least three (03) NEDs, a majority of whom shall be Independent Directors, and is chaired by the SID. ii. With regards to nomination, the Board delegates to the NRC the responsibility of reviewing and making recommendations on the nomination policy, succession planning framework, talent management, training programmes and any related matters for Directors and Senior Management of the Group, and to oversee succession planning. iii. With respect to remuneration, the NRC is tasked with providing a formal and transparent procedure for developing a remuneration policy for the Directors and Senior Management and ensuring that compensation is competitive and consistent with the Group's business strategy and long-term objectives. iv. 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. v. The Chairman of the NRC will report formally to the Board of Capital A on the key aspects of the proceedings at its meetings.
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c. Sustainability and Risk Management Committee (SRMC)	<ol style="list-style-type: none"> i. The SRMC shall comprise at least three (03) NEDs, a majority of whom shall be Independent Directors. ii. The Board delegates the responsibility of overseeing the risk management activities, identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group. iii. The SRMC is also tasked with providing direction on and overseeing the effective and efficient implementation of sustainability strategies in Capital A. iv. The Chairman of the SRMC will report formally to the Board of Capital A on the key aspects of the proceedings at its meetings.
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d. Safety Review Board (SRB)

- i. Members of the SRB shall comprise the following:
 - a) two (02) members appointed by the Board, all of whom shall be non-executive directors, and one (01) of whom shall be an independent director;
 - b) the Chief Executive Officer (“CEO”);
 - c) the CEO, AirAsia Aviation Group Limited;
 - d) the Chief Safety Officer;
 - e) all CEO and Head of Corporate Safety for Airlines, Asia Digital Engineering and Ground Team Red;
 - f) the Director of Flight Operations
 - g) the Head of Operational Quality Assurance;
 - h) the Head of Engineering;
 - i) the Head of Ground Operations;
 - j) the Head of Security;
 - k) the Head of Cabin Crew;
 - l) the Head of Facilities;
- ii. The SRB provides oversight over the effective and efficient implementation of the Safety Management System across the Group.
- iii. The Chairman of the SRB will report formally to the Board of Directors on the key aspects of its proceedings after each meeting.

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.

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.

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9.5 The responsibilities of management are described below in Table 9.0-3:

Table 9.0-3: Management Responsibilities

a. Planning	i. Generate plans of action for immediate, short term, medium term and long-term periods.
b. Organising	<ul style="list-style-type: none"> 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 Group's goals.
c. Leading	<ul style="list-style-type: none"> 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 Group.
d. Controlling	<ul style="list-style-type: none"> i. Set performance standards that indicate progress towards long-term goals of the Group. ii. Evaluate the progress against the goals and targets of the Group and ensuring proper and timely execution of the same. iii. Periodically review, evaluate and monitor performance.
e. Reporting	<ul style="list-style-type: none"> i. Provide reports periodically and/or in a timely manner to the relevant Boards for them to have reasonable grounds to make proper judgement on the financial position and business prospects of Capital A on an ongoing basis. ii. Submit regular reports from the business and functional units (e.g. Finance, RMD, GIAD, PAC, GSD, etc.), wherever relevant or as and when required by the Board.

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10.0 COMPOSITION OF THE BOARDS

10.1 The Boards 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).

11.0 BOARD MEMBERS OF CAPITAL A

11.1 The re-appointment of members of the Board of Capital A shall be by rotation, in accordance with the Constitution of Capital A. 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 re-appointment of members of the Board of Capital A shall take place annually at Capital A's Annual General Meeting, subject to shareholders' approval.

11.3 The Board shall comprise 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 of Capital A shall hold office until the earlier of:

- a. such time as the Board of Capital A determines to terminate his/her appointment; or
- b. the Board member ceases to be a member of the Capital A Board.

11.5 The tenure of an Independent Director should not exceed a term limit of nine (09) years.

11.6 Upon completion of the nine (09) years, an Independent Director may continue to serve on the Board of Capital A as a Non-Independent Director.

11.7 If the Board of Capital A intends to retain an Independent Director for the tenth (10th) until the twelfth (12th) year, it should provide justification and seek annual shareholders' approval on the proposed re-appointment in a general meeting. Where the Board of Capital A intends to re-appoint an Independent Director beyond the twelfth (12th) year, it should seek annual shareholders' approval at a general meeting through a two-tier voting process as stipulated in the Constitution of Capital A.

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11.8 The Board will ensure that its composition always complies with the provision of the MMLR and any other applicable regulations.

12.0 LIMIT ON DIRECTORSHIPS OF CAPITAL A BOARD MEMBERS

12.1 The limit on the number of directorships that may be held at any one time by any member of the Capital A Board shall not exceed the restriction in number or such other requirement as may be prescribed by the MMLR from time to time.

13.0 CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

13.1 The Board of Capital A has established a formal and transparent process whereby the NRC is responsible to:

- a. identify candidates suitably qualified to become Board members of Capital A including Independent Directors; and
- b. make recommendations to the Board of Capital A on the appointment of such individuals appointment by taking into consideration the competencies, commitment, contribution and performance of the 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, remuneration and benefits of the Board members including Independent Directors of Capital A shall be the responsibility of the Board of Capital A after considering the recommendations of the NRC.

13.4 The ultimate decision on the appointment of the Board members including Independent Directors to the Board of the subsidiaries shall be delegated to the Board of the respective subsidiaries, with the exception that the remuneration and benefits of such Board members shall be recommended by the NRC and approved by the Board of Capital A. The NRC should be updated periodically on any changes to the Board of the subsidiaries.

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14.0 CONSULTATION PRIOR TO EXTERNAL APPOINTMENTS

14.1 The Boards value 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 of the respective Board(s) in which they hold office within Capital A 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 Group; and/or
- d. place demands on the Director's time that could hinder their ability to attend Board meetings and discharge their responsibilities to Capital A.

15.0 REMUNERATION

15.1 The Board of Capital A has established a formal and transparent process for approving the remuneration of the Directors and Senior Management.

15.2 The NRC is responsible of reviewing the remuneration policies that support Capital A'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; and
- f. benefits-in-kind.

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- 15.3** The NRC shall ensure that compensation is consistent with Capital A's business strategy and long-term objectives, including, but not limited to:
- a. attracting and retaining Directors and Senior Management of requisite quality who can increase productivity and profitability in the long run;
 - b. motivating and creating incentives for the Directors and Senior Management to perform at their best; and
 - c. focusing attention on the achievement of the Group's desired goals and objectives.

16.0 QUORUM FOR BOARD MEETINGS

16.1 The quorum for Board meetings of Capital A shall be two (02) members, of whom one (01) must be an Independent Director, at the time when the meeting proceeds to business and for the other companies in the Group would be as stipulated in their respective Constitution.

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.

17.0 FREQUENCY OF BOARD MEETINGS

17.1 The Board of Capital A shall meet not less than once every three (03) months and for the other companies in the Group would be as stipulated in their respective Constitution.

17.2 Meetings of the Board shall be called by a Director or Company Secretary of the Board in accordance with the Constitution of the respective companies or at the request of the Chairman or GCEO or CEO.

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- 17.3** Unless otherwise agreed, notice for each meeting confirming the venue, time, date and agenda 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.
- 17.5** Refer to the SOP on Papers to the Board and its Committees (Doc. No.: MAA/LGL/S/003) for more details.
- 17.6** 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, subject to the relevant provisions in the Constitution.
- 17.7** In the event of an equality of votes, the Chairman of the Board shall be entitled to a second or casting vote, subject to the relevant provisions in the Constitution.
- 17.8** 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.
- 18.0 ATTENDANCE**
- 18.1** The GCEO, respective Presidents/CEOs (where the GCEO/CEO is not an ED), Group CFO and respective CFOs shall, where required by the Board, be invited to attend the meetings and assist in the deliberations and resolution of matters raised thereat.
- 18.2** Where their expertise are required, any relevant officers within Capital A or any external professionals may also be invited to attend the Board meetings, at the discretion of the respective Chairman and/or Board members.

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19.0 APPROVAL OF MINUTES/RESOLUTIONS

19.1 Minutes and resolutions of the Board shall be valid and effectual if approved/signed done by a majority of the Directors entitled to receive notice of a Board meeting or vote thereat, subject to the relevant provisions in the Constitution.

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

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, subject to the relevant provisions in the Constitution.

20.2 Any such resolution may consist of several documents in like form, each signed by one (01) or more Directors, subject to the relevant provisions in the Constitution.

20.3 A signed Directors' Written Resolution transmitted by facsimile (fax) or any other electronic means shall be deemed to be an original, subject to the relevant provisions in the Constitution.

20.4 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 Minutes Book.

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.

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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 its 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 are not limited to the following:

- a. manage all Board and/or committee meeting logistics;
- b. attend and record minutes of all Board and/or committee meetings;
- c. facilitate Board communications;
- d. advise the Boards 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 Constitution, MMLR, CA, MCCG, company and securities regulations and other applicable laws;
- g. manage processes pertaining to general meetings/meetings of shareholders;
- h. monitor corporate governance developments and assist the Board in applying relevant 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.

22.0 CODE OF ETHICS FOR COMPANY DIRECTORS AND COMPANY SECRETARY

22.1 The Directors' and Secretary Code of Ethics serves as a guiding principle on the ethical expectations of the company director and company secretary when carrying out their duties. It summarises their fiduciary duty, provides guidance to Directors in dealing with ethical issues and helps foster the spirit of social responsibility and accountability in line with the rules and regulations governing the Company.

22.2 The Board members and Company Secretary must observe the Code of Ethics for Company Directors and Company Secretary established by the Companies Commission of Malaysia ("Code of Ethics"). The Code of Ethics is attached as Appendix A to this Board Charter.

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22.3 All members of the Board are expected to act in good faith in the best interest of the Company and they are anticipated to exercise reasonable diligence in discharging their duties and responsibilities. The Directors are expected to deal in the business affairs of the Company with honesty, integrity, diligence, and reasonable competence.

22.4 Capital A has in place a Code of Conduct and Ethics (Doc. No.: AA/PPL/S/004) establishing standards of ethical conduct for Directors, employees and, where applicable, counterparts and business partners of the Group.

23.0 NEW DIRECTOR ORIENTATION AND CONTINUOUS EDUCATION

23.1 The Company Secretary undertakes the role as the coordinator to manage and coordinate the Directors' seminars and training requirements, which include the MAP for newly appointed Directors on the Board of Capital A, pursuant to the MMLR.

23.2 The Board should, on a 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.

24.0 REVIEW OF THE BOARD CHARTER

24.1 The Board Charter shall be periodically reviewed by the Capital A Board or as and when required:

- 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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25.0 PERFORMANCE MEASURES AND NON-CONFORMANCE CRITERIA

Activity	KPI
Board Composition of Capital A	<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, subject to retirement by rotation and re-election, and pursuant to the Constitution.
Tenure of an Independent Director of Capital A	Not more than a cumulative term of nine (09) years, subject to the Constitution.
The limit on the number of directorships that may be held by a Director at any one time	Not exceeding the restriction in number or such other requirement as may be prescribed by the MMLR from time to time.
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 at the time when the meeting proceeds to business.
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, subject to the Constitution.

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26.0 LIST OF RECORDS

Form Name	Form Number	Owner
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27.0 INCONSISTENCY BETWEEN THIS BOARD CHARTER AND THE CONSTITUTION

In the event of inconsistency between this Board Charter and the Constitution, the Constitution shall prevail to the extent of the inconsistency.

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