



CAPITAL A BERHAD (formerly known as AirAsia Group Berhad)

Directors' Fit and Proper Policy

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Purpose

This Directors' Fit and Proper Policy ("Policy") is a requirement of Bursa Malaysia's enhanced Main Market Listing Requirements. The nomination and election of Directors per the Policy will be disclosed in Capital A Berhad's annual report as required under Paragraph 15.08A (3) of the Listing Requirements and published on Capital A Berhad's website as required under Paragraph 15.01A of the Listing Requirements.

Scope and applications

This Policy addresses Board quality and integrity for Capital A Berhad and its subsidiaries by setting out the attributes and criteria for the appointment of all Directors and also for the re-election of all Directors across the Capital A Berhad group and its subsidiaries.

General principles

The Policy sets out the framework for fit and properness clearance, responsibilities of Directors and Independent Directors and compliance requirements that must be complied with on-going basis.

Effective date

This policy document comes into effect on 26 August 2022.

Definitions

Board means the board of directors of the Company

Company means Capital A Berhad (formerly known as AirAsia Group Berhad) ("Capital A")

Director means an individual appointed as a director on the board of directors of the Company and the Company's subsidiaries.

Nomination and Remuneration Committee or **NRC** means the Nomination and Remuneration Committee of the board of directors of the Company established under provisions of Bursa Malaysia's Listing Requirements.

Policy means the Policy on directors' fit and proper criteria

Roles

Board of directors

- a) Review, approve, and monitor the Company's fit and properness policy and processes.
- b) Review and approve changes to the Company's fit and properness policy and processes.
- c) Review recommendations made by the NRC and approve or revoke fit and properness recommendations based on the results of reviews.
- d) Decide on the appointment of Directors.

Nomination and Remuneration Committee

- a) Determine the qualifications and positive attributes for appointment of Directors.
- b) Carry out due diligence to determine the suitability of the person for (re)appointment or continuing their status as a Director of the Company.
- c) Review the documents titled *Declaration and Undertaking* and *Deed of Covenant* received from the directors of the Company.
- d) Recommend to the board the (re)appointment of Directors after applying the fit and proper criteria described in this Policy.

NRC Secretariat

- a) Manage the fit and proper review process.
- b) Collect information on and screen the directorial candidate for the purpose of fit and proper clearance.
- c) Submit a shortlist of candidates to the NRC for recommendation to the board.
- d) Prepare and communicate appointment documents to successful candidates.
- e) Ensure Directors understand the Policy and their obligations to comply with it.
- f) Report to the NRC evaluations that do not meet fit and proper criteria.

Company Secretary

- a) Provide advice to NRC secretariat on selection criteria for Directors and independent Directors as specified in local laws and regulations.
- b) Maintain an accurate and updated list of Directors and independent Directors for the reference of NRC.

Fit and proper clearance

- a) Must refer to a comprehensive background check carried out by the NRC Secretariat or its agent.
- b) Has to be submitted to the NRC for consideration and recommended to the board.
- c) Is necessary for a candidate to be (re)appointed as a Director or independent Director.
- d) Needs to be conducted for all Director(s) and independent Director(s) in order to secure new fit and proper clearance before expiration of the existing clearance.
- e) Is necessary if the fit and proper status of a current Director is called into question and requires a fresh review. If an existing Director does not meet the criteria for fit and properness, then they may be given three months to rectify their status. If they cannot do so, then NRC will take action guided by this Policy.
- f) Is valid for 36 months after which a fresh review is required.

Nomination

Candidates for Directors can be nominated according to relevant Company policies, including:

- from within the Company's employees (executive Directors)
- from a selection of external recruited candidates
- by a shareholder according to the law

Fit and proper criteria

The following are meant to illustrate the minimum criteria for a fit and proper review. Other criteria may be considered as well.

Probity, personal integrity and reputation

Ethical and professional conduct records

- Public exposure
- Criminal records
- Outside interests

Competence and capability

- Employment reference
- Educational qualifications
- Academic performance
- Professional certification
- Work experience

Financial Integrity

- Credit history
- Tax compliance

Time and commitment

- Ability to discharge role with regard to other commitments
- Participation and contribution in other boards

Selection Criteria of Director(s)

1. Natural person at least 18 years old
2. Of sound mind
3. Not an undischarged bankrupt under Insolvency Act 1967
4. Not disqualified under Companies Act 2016
5. Has not been convicted of a criminal offence
6. Has not been imprisoned for any offences under the Companies Act 2016 (Section 213, 217, 218, 228 or 539) within the previous five years

Documentation

- a. All documents with regard to a director's fit and proper review must be kept by the Company for at least six years after they have resigned or removed from their position as Director.
- b. Only the following may have access to such documents:
 - i. members of the board
 - ii. members of NRC
 - iii. Company Secretary
 - iv. Members of NRC secretariat (and approved agents, if any)

Appendix A: Checklist for Fit and proper review

1. Signed fit and proper declaration
2. Criminal record check
3. Bankruptcy check
4. Credit check
5. Confirmation of previous and current employment
6. Internet search for negative publicity
7. Signed conflict of interest declaration
8. Qualification and experience declaration and supporting documents
9. Confirmation of professional membership
10. Confirmation of good conduct from professional body, current and ex-employers

Appendix B: Fit and proper declaration

Name of organisation:

Name of individual:

Role/position being considered:

I declare that:

1. I have the skills and knowledge, qualifications and experience required to effectively carry out and fulfil the role and responsibilities of a Director.
2. I have a good performance record from my previous employment and have not been subjected to disciplinary action in respect of this employment.
3. I have not been dismissed or asked to resign nor have I resigned from employment or from a position of trust because of questions about my conduct.
4. I have not been subjected to any criminal proceeding or been found by a court or tribunal to have engaged in serious wrongdoing.
5. I have not encouraged or involved someone else in any wrongdoing.
6. I have not been involved with any entity whose registration to carry out a trade or business has been terminated or refused.
7. I have not been connected with any trade or business that has gone into liquidation, administration or insolvency.
8. I have not been made a bankrupt or entered insolvency proceedings under Malaysia's Insolvency Act 1967.
9. I have not made arrangements with creditors from which I have not been discharged.
10. I have not been prohibited in Malaysia or another country from:
 - a. being a Director on the board of directors of an entity
 - b. being an independent Director on the board of directors of an entity
 - c. being concerned with or taking part in the management of an entity.
11. I have no conflict of interest that might compromise my ability to carry out my duties as a Director of this Company or its subsidiaries.
12. I have not been involved in anything that could pose a brand or reputation risk to the Company.
13. I am not actively involved in politics and do not intend to stand for public office during the directorship.

I give my consent for the Company to conduct checks or obtain references to establish that I am a fit and proper person for appointment as a Director on the board of the Company or its subsidiaries.

I understand that any false statement by me in this declaration may lead to summary dismissal or removal from the board or from the position I have been appointed to.

I also give my consent to the collection and disclosure of my personal data by the Company for the purpose of assessing and evaluating my suitability for the role of director and for verifying my identity and the accuracy of my personal data and other information provided by me.

(Signed)

Name

Date

In the presence of

Name

Date