



AIRASIA X BERHAD

Registration No. [200601014410 (734161-K)]

**DIRECTORS' FIT AND
PROPER POLICY**



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1.0 PURPOSE

- (a) The Directors' Fit and Proper Policy ("the **Policy**") sets out the fit and proper criteria for the appointment and re-appointment of directors on the boards of AirAsia X Berhad and its subsidiaries ("**Group**").
- (b) The Policy acts as a guide to the Nomination & Remuneration Committee ("**NRC**") and the Board of Directors ("**Board**") in their review and assessment of potential candidates for appointment as directors as well as directors who are seeking re-appointment in the Group.
- (c) The objection of the Policy is to ensure that directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to effectively discharge their role as directors of the Group.

2.0 DIRECTORS' FIT AND PROPER CRITERIA

The considerations underpinning the "fit and proper" criteria¹ of a director include but are not limited to the following:

(a) Character and Integrity

(i) Probity

- is compliant with legal obligations, regulatory requirements, and professional standards.
- has not been obstructive, misleading, or untruthful in dealings with regulatory bodies or a court.
- has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters in respect to the person's honesty, integrity, or business conduct.

¹ Bank Negara Malaysia's Guidelines on Fit and Proper Criteria for Key Responsible Persons



(ii) Personal integrity, honesty, and ethical behaviour

- has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not) or which otherwise reflect discredit on his or her professional conduct.
- service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity.
- has no concurrent responsibilities or interest which would contribute to a conflict-of-interest situation or otherwise impair the ability to discharge duties and responsibilities as director of the Group.
- has not abused other positions (i.e. political appointment) to facilitate government relations for the Group in a manner that contravenes the principles of good governance.

(iii) Financial soundness and solvency

- manages personal debts or financial affairs satisfactorily.
- demonstrates ability to fulfil personal financial obligations as and when they fall due.
- has not been subjected to a judgment debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.

(iv) Good reputation

- is of good repute in the financial and business community.
- has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.
- has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management.



(b) Experience and competence

(i) Qualifications, training, and skills

- possesses education qualification that is relevant to the skill set that the director is earmarked to bring to bear onto the boardroom (i.e. a match to the board skill set matrix).
- has a considerable understanding on the business and workings of a corporation.
- possesses general management skills as well as understanding of corporate governance and sustainability issues.
- keeps knowledge current based on continuous professional development.

(ii) Relevant experience and expertise

- possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.

(iii) Relevant past performance or track record

- had a career of occupying a high-level position in a comparable organisation and was accountable for driving or leading the organisation's governance, business performance or operations.
- possesses good past performance record as gathered from the results of the board effectiveness evaluation.



(c) Time and commitment

- (i) Ability to discharge role having regard to other commitments
- able to devote time as board member, having factored other outside obligations including concurrent board positions held by the director across listed issuers and non-listed entities (including not-for-profit organisations).
- (ii) Participation and contribution in the board or track record
- demonstrates willingness to participate actively in board activities.
 - demonstrates willingness to devote time and effort to understand the businesses and exemplify readiness to participate in events outside the boardroom.
 - manifests passion in the vocation of a director.
 - exhibits ability to articulate views independently, objectively, and constructively.
 - exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

3.0 ASSESSMENT OF FITNESS AND PROPRIETY OF DIRECTORS

The fit and proper assessments on each director within the scope of the Policy shall be conducted by the Company both prior to initial appointments and at regular intervals of at least annually or whenever the Company becomes aware of information that may materially compromise a director's fitness and propriety.



The NRC will assess each person for a new appointment or re-election of a director based on the fit and proper criteria as spelt out in 2.0 above before recommending to the Board for approval. The factors shall be assessed individually, as well as collectively, considering their relative importance.

Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The NRC will consider the specific circumstances surrounding a director's failure to meet specific factors, such as the lapse of time since the occurrence of events, other contributing factors, and the significance of the event from the perspective of potential risks posed to the Company.

The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

4.0 REVIEW OF THE POLICY

The NRC shall recommend any change to the Policy as the NRC deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed, and updated where necessary.

The Policy has been adopted by the Board on 15 July 2022.

AIRASIA X BERHAD
 Registration No. [200601014410 (734161-K)]
 (Incorporated in Malaysia)

DIRECTORS' DECLARATION OF FIT AND PROPER

Name:

NRIC/Passport No.:

do hereby solemnly affirm and declare the following:

No.	Criteria	YES	NO
Probity, Personal Integrity and Reputation			
1.	I have not been the subject of any proceedings of a disciplinary or criminal nature or have been notified of any impending proceedings or of any investigations, which might lead to such proceedings.		
2.	I have not contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice.		
3.	I have not contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies.		
4.	I or any business in which I have a controlling interest or exercise significant influence, have not been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately.		
5.	I have not been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on my professional conduct.		
6.	I have not been dismissed, asked to resign or have resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions on my honesty and integrity.		
7.	I have not been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a licence to conduct any trade, business or profession, or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated.		
8.	I have not held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while I was connected with that business.		
9.	I have not been a director of, or have been directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Malaysia, or of any licensed institution, the licence of which has been revoked under any written law.		

10.	In the past, I have not acted unfairly or dishonestly in my dealings with my customers, employer, auditors and regulatory authorities.		
11.	I have not at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities and failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations.		
12.	I have not contributed significantly to the failure of an organisation or a business unit.		
13.	I have not at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices.		
14.	I am free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of my judgement when acting in the capacity of a director of AirAsia X Berhad.		
Financial Integrity			
15.	I am and will be able to fulfil my financial obligations, whether in Malaysia or elsewhere, as and when they fall due.		
16.	To my knowledge, I have not been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.		
17.	I have not made arrangements with creditors, filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction.		

* Where you have not ticked 'YES', please explain and/or provide the relevant documents.

Explanation for items not ticked 'YES'	
No.	Explanation

.....
 (Signature)
 Name:
 Date: