

AIRASIA X BERHAD

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

FOREWORD BY THE BOARD OF DIRECTORS

The Board of Directors (“the Board”) of AirAsia X Berhad (“**AAX**”) believes that honesty, integrity and transparency are the core values of Proper Corporate Governance.

The Board has a fiduciary responsibility to ensure that AAX has in place all aspects of good corporate governance through the implementation and adoption of policies and procedures. This includes the policies and procedures that adequately address and manage bribery and corruption risk. As such, the Board promotes a culture of ethics and integrity with the commitment to effectively communicate to both internal and external parties as well as to comply with all laws and regulatory requirements of the Malaysian Anti-Bribery Commission Act 2009 (Amended 2018) and all other laws and regulations which our business and operations are governed by.

Based on the recommendation by the management of AAX, the Board has determined that AAX approves the Anti-Bribery and Anti-Corruption Policy.

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1. INTRODUCTION

- 1.1 AirAsia X Berhad (“**Company**”) and the Group (as defined hereinafter) is committed to the highest level of integrity and accountability in everything it does and will not tolerate any irresponsible or unethical behaviour that would jeopardise its good standing and reputation.
- 1.2 The Group adopts a zero-tolerance approach to bribery and corruption and is committed to acting professionally, transparently and fairly with integrity in all our business dealings and relationships.
- 1.3 As the Group operates in different countries, the Group is also required to abide by the laws and regulations in the countries which the Group operates. Any corrupt practice or bribery committed by a person associated with the Group ((including but not limited to, director, Employees, and a person who performs services for and on behalf of the Group e.g., subsidiaries, associate companies, agents, contractors and joint venture partners) will cause the Group to be penalised, by way of a fine and imprisonment, regardless of whether the offence is committed within or outside of Malaysia, or with or without the knowledge of the Group.
- 1.4 This Anti-Bribery and Corruption Policy (“**ABAC Policy**”) embodies the Group’s commitment in this regard, and sets out what is permissible and non-permissible conduct in the business practices of the Group.
- 1.5 This ABAC Policy is to be read in conjunction with (a) other internal policies applicable to each department and subsidiary; and (b) the relevant laws and regulations of the jurisdictions in which the Group operates.
- 1.6 If you have any concerns or require further clarification with respect to the application of this ABAC Policy, you should consult the relevant People Department/Legal & Compliance Department.
- 1.7 An electronic version of this ABAC Policy is available at the official portal of the Company (<http://airasiax.com/home.html#>).

2. APPLICABILITY

- 2.1 This ABAC Policy applies to all Employees (as defined hereinafter), including the Directors (as defined hereinafter), of the Group.
- 2.2 In order to ensure strict compliance and adherence with this ABAC Policy by the Employees, the People Department and the respective HOD (as defined hereinafter) are responsible to ensure that their subordinates read, understand and comply with this ABAC Policy at all times.
- 2.3 All Employees, including the Directors, shall sign a Declaration of Compliance (enclosed as Appendix A) confirming that they have read, understood and will adhere to this ABAC Policy. The declaration shall be documented and retained by People Department.
- 2.4 The Group has subsidiaries that carry out highly regulated activities and these subsidiaries have their own policies in place to comply with the rules or obligations imposed by the regulators. As such, where there is conflict between this ABAC policy and the individual policy maintained by the respective subsidiaries, the more stringent set of requirements shall apply.
- 2.5 Similarly, Business Partners, Suppliers and any third parties having a business relationship with the Group are expected to strictly adhere to the relevant sections of this ABAC Policy which are relevant to their business relationship with the Group or in performing services for the Group.
- 2.6 Any investigations concerning bribery, corrupt practices, money-laundering or non-compliance with this ABAC Policy by Business Partners, Suppliers or third parties having a business relationship with the Group, or its shareholders, directors, officers or affiliates may result in the termination of the business relationship by the Group.

3. DEFINITIONS

3.1 The following definitions shall apply unless otherwise expressly stated in this ABAC Policy:

AOC	:	airline operating company;
Business Partners	:	parties that the Group conducts business with, who are not Suppliers or customers of the Group, including, without limitation, joint venture partners and shareholders in joint venture arrangements or companies;
CEO	:	chief executive officer;
Company	:	as defined in Paragraph 1.1;
Directors	:	every director of the Group , except as otherwise stated in this ABAC Policy;
Employees	:	any person who is employed under a contract of service by the Group;
Immediate Family	:	Employee's spouse, parent, child (including legally-adopted children), sibling, grandparent and parent-in-law;
Gifts	:	anything of value that an Employee gives or receives either directly or in kind including but not limited to, goods or services, promotional products, entertainment, such as meals, travel or tickets to events, gratuities, discounts or personal favours that are intended to influence or reward an individual or entity;
Group	:	means the Company and all its subsidiaries;
HOD	:	Head of Department;
Hospitality	:	includes meals, invitations to events, functions, social gatherings, social kinds (e.g., sporting and cultural events) or business lunches and drinks or dinners, travel and overnight accommodation;
Public Official	:	any person who is a member, an officer, an employee or a servant of the following public body- <ul style="list-style-type: none">(a) the Government of Malaysia;(b) the Government of a State;(c) any local authority and any other statutory authority;

- (d) any department, service or undertaking of the Government of Malaysia, the Government of a State, or a local authority;
- (e) any society registered under Section 7(1) of the Societies Act 1966;
- (f) any branch of a registered society established under Section 12 of the Societies Act 1966;
- (g) any sports body registered under Section 17 of the Sports Development Act 1997;
- (h) any co-operative society registered under Section 7 of the Co-operative Societies Act 1993;
- (i) any trade union registered under Section 12 of the Trade Unions Act 1959;
- (j) any youth society registered under Section 9 of the Youth Societies and Youth Development Act 2007;
- (k) any company or subsidiary company over which or in which any public body as is referred to in paragraph (a), (b), (c), (d), (e), (f), (g), (h), (i) or (j) has controlling power or interest; or
- (l) any society, union, organization or body as the Minister may prescribe from time to time by order published in the Gazette; and

Suppliers : a person or organisation that is appointed to provide products or services to the Group including, without limitation, suppliers, contractors, sub-contractors, service providers, vendors, agents, consultants, representatives and others who are acting for or on behalf of the Group.

3.2 Interpretations

In this ABAC Policy, unless the context requires:

- (a) The English version shall be the official text for reference in the event of any dispute arising out of the interpretation of this ABAC Policy.
- (b) Words importing the masculine shall be deemed and taken to include the feminine gender and vice versa.
- (c) Words importing the singular shall be deemed and taken to include the plural and vice versa.

- (d) References to “you” in this ABAC Policy refer to any person to whom this ABAC Policy applies. Where more specific references are used (such as “employee”), the more specific reference is intended.

4. BRIBERY

4.1 What is bribery?

Bribery is the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job description.

4.2 Examples of Gratification

These are some examples of gratification:

- (a) wedding gifts;
- (b) festival money packets (ang pao);
- (c) hampers;
- (d) paid holidays, airfare;
- (e) college fee funding;
- (f) golf club membership;
- (g) hospitality outings (opera tickets, Formula 1 tickets);
- (h) entertainment (karaoke, expensive dinners, massages);
- (i) healthcare reimbursements;
- (j) discounts; house renovation;
- (k) paid expenses (car repairs, stereo systems, appliances);
- (l) facilitation payments; and
- (m) commission.

**The list above is not exhaustive.*

4.3 Illustration

Example 1 : Mr. A gives an expensive watch worth RM 1,800 to Mr. B for facilitating the approval of a construction project in favour of Mr. A's company. Mr. A is a contractor while Mr. B is a government officer in the department that awarded the contract.

Example 2 : Mr. C is running an overseas field office for a multinational company and still needs a big deal to reach the annual sales target. Mr. C is preparing the bid for a big contract that he is eager to win. Mr. D, a consultant, who is close to the customer approaches Mr. C and provides Mr. C with information on bids already submitted by some of the competitors in exchange for payment of a fee by Mr. C to Mr. D.

Example 3 : Mr. E is the local manager of a company's operation in a foreign country. For weeks, the shipment of critical

technical equipment has been delayed by red tape at headquarters. When the equipment finally arrives in the country, Mr. E is informed by a customs officer that the paperwork is “incomplete”.

This will prevent the release of the equipment until the paperwork is complete (i.e., the problem has been solved). The customs official indicates that a resolution could take several weeks. He/she adds, however, that the problem can be solved quickly through an expeditor’s fee or gifts, which would ensure customs clearance of the equipment in one business day. Mr. E arranges for payment of fees to an expeditor.

- Example 4 : A minister (or other high-ranking government official) asks Company F to provide free product samples for his/her son’s birthday party. Company F then complies with the request of the minister to maintain its good relationship with the official.
- Example 5 : Mr. G, works in a company that imports goods into the country. Mr. G gives a gift to Mr. H, a government officer, on a regular basis for not holding up or delaying the inspection process of the goods when it arrives from overseas.
- Example 6 : Mr. I, is an employee of a company that operates a highly regulated business activity. Mr. I took Mr. J, a government officer, out for lunches and dinners and paid for the meals on a regular basis, with the view to maintain a good relationship with the official to ensure that all early applications for approvals and permits submitted by Mr. I on behalf of his company will be processed and approved without any delay for the following year.

5. GIFTS AND HOSPITALITY

5.1 Gifts

5.1.1 General Rule

5A.1.1 The Group adopts a “No Gift Policy”.

5.1.2 Giving or Providing Gifts

5.1.2.1 Employees and his Immediate Family, including agents acting for or on behalf of the Group, Employees or their Immediate Family are prohibited from directly or indirectly, providing or offering to give any gifts, authorising the payment of money or anything of value to the existing or potential Business Partners, Suppliers or any third parties that have business dealings with the Group, to influence any act or decision or to secure any other improper advantage in order to obtain or retain business.

5.1.2.2 This is to prevent any conflict of interest situations arising between the parties in existing or potential business dealings with the Group.

5.1.2.3 A “Gift” can be seen as a form of gratification which is the act of giving or receiving any item of value that may give rise to a violation of the Malaysian Anti-Corruption Commission Act 2009 and jeopardise the good standing and reputation of the Group.

5.1.2.4 Employees are not allowed to provide Gifts to Business Partners or Suppliers or third parties with whom the Group conducts business with unless it is in accordance with the Group’s policies and procedures.

5.1.3 Soliciting or Receiving Gifts

5.1.3.1 Employees and his Immediate Family, including agents acting for or on behalf of the Group, Employees or their Immediate Family are prohibited from directly or indirectly, soliciting or receiving any Gifts from the existing or potential Business Partners, Suppliers or any third parties that have dealings with the Group, to influence any act or decision or to secure any other improper advantage in order to obtain or retain business.

5.1.3.2 Employees are not allowed to receive Gifts from Business Partners or Suppliers or third parties with whom the Group conducts business with unless it is in accordance with the Group’s policies and procedures.

5.1.3.3 If a Gift cannot be declined or has been received and cannot be returned, you shall immediately inform the Head of Legal and surrender the Gift to the relevant departments of your organisation in accordance with Group’s policies and procedures.

5.1.3.4 In such an event, the Head of Legal and Compliance shall determine whether such Gifts should be shared with the department, auction the Gifts in aid of charity or display them in offices or be disposed of or given away in any other manner.

5.1.3.5 In making a decision pertaining to the treatment of the Gifts, the Head of Legal shall exercise reasonable and proper judgement on a case-by-case basis.

5.1.4 The purpose of the prohibition against providing and receiving Gifts is to ensure that the offer of a Gift does not create an obligation to give special treatment or unfair advantage to the giver or be construed by others to allege favouritism, discrimination or other unacceptable practice.

5.1.5 As a rule of thumb, if a Gift is offered to or received by the Employee:

- (a) it must be approved or authorised and recorded in accordance with the Group’s policies and procedures; and
- (b) it must be reasonable, proportionate and bona fide.

For example, such Gift must be nominal in cost, quantity and frequency and consistent with the occasion and circumstances.

5.1.6 Any Gift if given or received should be able to withstand public scrutiny without damaging the Group’s reputation.

5.1.7 Do’s and Don’ts with regards to Gifts

Do’s	Don’ts
Employees must inform third parties with whom the Group conducts business, of the Group’s No Gift Policy and that such parties must respect and adhere to it.	<p>The Employees are not allowed to give or receive gifts. The following categories of gifts are strictly prohibited and the Employees must return the gifts to the senders:</p> <ul style="list-style-type: none"> (a) gifts of cash or gift cards; (b) gifts that could be viewed as lavish; (c) gifts including customary courtesies associated with accepted ethical and

<p>All dealings in relation to Gifts must be carried out in accordance with the Group's policies and procedures such as, this ABAC Policy.</p>	<p>general commercial practice;</p> <p>(d) gift that the recipient is not entitled to receive under the laws;</p> <p>(e) gifts that contravene any rules applying to the individual to whom the gift is offered (i.e. any policy that another organisation has in place);</p> <p>(f) free or discounted upgrades, free or discounted flights or gifts to or from any of the Business Partners, Suppliers, Public Officials or any third parties having business relationship with the Group.</p>
<p>If a Gift cannot be declined or has been received and cannot be returned, you shall immediately inform the Head of Legal and surrender the Gift to the relevant departments of your organisation in accordance with Group's policies and procedures.</p>	<p>Employees are also prohibited from conducting the following:</p> <p>(a) soliciting or receiving any gifts from existing or potential Business Partners or any third parties that have dealings with the Group; and</p> <p>(b) providing or offering to give any gifts to existing or potential Business Partners or any third parties that have business dealings with the Group.</p>

5.2 Hospitality

5.2.1 Providing Hospitality

5.2.1.1 General Rule

Employees are not allowed to provide Hospitality to any parties to whom the Group conducts business with, that could influence, or be perceived to be capable of influencing, a

business decision. This includes, Business Partners, Suppliers and Public Officials.

5.2.2 Receiving Hospitality

5.2.2.1 General Rule

Employees must not accept any invitations for Hospitality from any parties to whom the Group conducts business with, that could influence, or be perceived to be capable of influencing, business decision of the Employees.

5.2.3 Where a possible issue relating to Hospitality arises, the Employees should seek advice from the relevant Legal & Compliance Department.

5.2.4 Do's and Don'ts

Do's	Don'ts
Giving and acceptance of Hospitality must be in accordance with the Group's policies and procedures.	Employees are not allowed to provide Hospitality that could influence, or be perceived to be capable of influencing, a business decision.
The Employees are required to ensure that the Hospitality is provided or received in accordance with the laws of the respective jurisdiction of the sender or recipient.	No Hospitality that would be illegal or in breach of local or foreign bribery laws.
Employees may provide Hospitality in a personal capacity without the purpose of directly or indirectly gaining any benefits or advantages for the Group.	No Hospitality that is related to some actual or anticipated business with the recipient, particularly in a competitive context.
	No Hospitality should be accepted or offered if it could be perceived to be lavish, improper, excessive or not in proportion to the recipient e.g. spa treatments, massages, liquor etc.

6. CONFLICT OF INTEREST

6.1 General Rule

6.1.1 All Employees, including the Directors, must act in the best interest of the Group.

6.1.2 Conflict of interest occurs when an Employee's position within the Group or that of the Employee's Immediate Family or such other obligation or special interest of an Employee, interferes (or would be perceived to interfere) with an Employee's ability to act in the best interest of the Group.

6.1.3 Conflict of interest does not necessarily involve improper or corrupt behaviour, although they can lead to such behaviour.

6.1.4 Examples of conflict of interest situations may include, but is not limited to the following:

(a) **Material gain**

(i) An Employee participates in discussion or decision making or acts in a manner wherein he or she may directly or indirectly benefit himself or herself, or his or her Immediate Family or his or her private interest;

(ii) An Employee awarding a contract to a company in which he or she has a financial interest or a connection such as a relative or friend; and

(iii) An employee recruiting a relative or friend or recruiting individuals in order to secure a business advantage.

(b) **Outside employment**

(i) When the Employee's outside employment or association causes or would-be-perceived-to-cause he or she not to act in the best interest of the Group; and

(ii) Secondary employment: Part-time employment with or consultancy to another company. Even if this is contractually allowed it can be a significant source of conflict.

(c) **Other organisations**

(i) An Employee is asked to become a member of the Board of Directors of any entity or organisation whose mission or mandate is in conflict with the mission or goals of the Group or which is in competition with the Group;

- (ii) An employee planning to take up a position with another organisation and acting in its favour in breach of duty to his existing employer; and
 - (iii) Employees running their own companies or involved in external activities such as political or community organisations.
- (d) Undue influence
- (i) An Employee uses his or her position to exert undue influence on another Employee of the Group in the execution of that Employee's duties or to exert undue influence on any decision-making process of the Group.
- (e) Bribery
- (i) An Employee offers or receives a bribe or commission made by external organisation, or anyone else dealing with the Group.
- (f) Insider trading
- (i) Corporate 'insiders' buy or sell their company's stock on the basis of information that is not available publicly.

6.2 Employee's Declaration

- 6.2.1 Employees are required to make a declaration on conflict of interest to the Group on an annual basis and from time to time, as may be required by the Group, in accordance with the Group's policies and procedures.
- 6.2.2 Should any Employee become aware of any conflict of interest, or feel that he or she is, or may be in a conflict of interest situation, the Employee must immediately inform in writing to the relevant department in accordance with the Group's policies and procedures.
- 6.2.3 The Employee shall also forthwith withdraw or remove himself or herself from the decision-making meeting and process or other situations giving rise to the conflict of interest.
- 6.2.4 The Employee must not attempt to influence the outcome of the meeting and process whether before, during or after the meeting.
- 6.2.5 After receiving the Employee's declaration, the relevant department must report the same to the People Department to be recorded in the register of conflicts of interest. The register of conflicts of interest must be maintained and updated from time to time.
- 6.3 Please also refer to the Group's policies and procedures for further information and guidance.

7. DEALING WITH BUSINESS PARTNERS AND SUPPLIERS

7.1 General Rule

All dealings with prospective or existing Business Partners and Suppliers must be carried out in accordance with the Group's policies and procedures.

This would include carrying out an appropriate level of pre-engagement due diligence or evaluation to understand the business and background of the Business Partners and Suppliers before entering into any business arrangements.

8. DEALING WITH PUBLIC OFFICIALS

8.1 General Rule

8.1.1 Employees must be vigilant in dealing with all Public Officials and conduct themselves in accordance with the Group’s policies and procedures.

8.1.2 As dealings with Public Officials pose high risk in relation to bribery, there are strict rules and regulations imposed in different countries. Employees must also be aware of local laws governing the Group’s business activity to ensure compliance.

8.2 Employees and his Immediate Family, including agents acting for or on behalf of the Group, Employees or their Immediate Family are prohibited from directly or indirectly, providing or offering to give any gifts, authorising the payment of money or anything of value to the Public Officials, to influence any act or decision or to secure any other improper advantage in order to obtain or retain business.

Any Gifts for Public Officials must be in accordance with the Group’s policies and procedures.

8.3 Employees are not allowed to provide Hospitality to Public Officials, that could influence, or be perceived to be capable of influencing, a business decision. Any Hospitality for Public Officials must be in accordance with the Group’s policies and procedures.

8.4 Employees who have any questions regarding whether interactions with Public Officials are appropriate should immediately contact AOC Head, Legal and Compliance Department for advice.

8.5 Do’s and Don’ts

Do’s	Don’ts
Adhere to the rules and regulations of the relevant jurisdiction governing conduct with Public Officials regarding the acceptance of Gifts and Hospitality.	Employees, Business Partners, Supplier and any third parties having business relationship with the Group are not allowed to, directly or indirectly, provide Gifts or Hospitality to Public Officials or their Immediate Family for the purpose to exert improper influence on Public Officials dealing with the Group.
Any Gifts or Hospitality for Public Officials must be in accordance with the Group’s policies and procedures.	
All dealings with Public Officials must be carried out in accordance with the Group’s policies and procedures.	

9. POLITICAL CONTRIBUTIONS

9.1 General Rule

- 9.1.1 Direct or indirect contributions to political parties, organisations or individuals engaged in politics is prohibited.
- 9.1.2 Political contributions may be perceived as a way of obtaining advantage in business transactions.
- 9.1.3 Political contributions can be made in many forms, such as follows:
 - (a) financial donations;
 - (b) secondments to political parties;
 - (c) loans of money at less than market interest rates;
 - (d) discounted fees or rates for products, services or loans;
 - (e) sponsorship of an event or publication;
 - (f) subscriptions or affiliation payments;
 - (g) free or discounted use of facilities or services such as offices, transport, printing, telecommunications, advertising and media coverage; and
 - (h) sponsorship or support for fundraising events, such as a fundraising dinner.

**The above list is not exhaustive*

9.2 Do's and Don'ts

Do's	Don'ts
Employees must be aware and educated on all applicable laws and regulations that may prohibit or restrict companies from getting involved in political activities, make political contributions or engage in lobbying activities.	Employees, Business Partners, Suppliers or any third parties having business dealing with the Group are not allowed to make a contribution to a political party or candidate on behalf of the Group, or use Group funds for a donation or contribution to a political party or individual political campaign.
	The Directors and senior managers of the Group are prohibited from making personal political donations in their capacity as representatives of the Group.

10. SPONSORSHIPS AND CHARITABLE DONATIONS

10.1 Sponsorship

10.1.1 General Rule

Sponsorships are only permitted if there is a clear business case and for specific objectives.

10.1.2 Reasonable steps must be taken in accordance with the Group's policies and procedures to verify that all sponsorships do not constitute illegal payment to a Public Official or any individual or entity in violation of the Group's policies and procedures, including this ABAC Policy.

Steps that may be taken for verification purposes, includes conducting due diligence on the recipient organisations pertaining to the public activity and background.

10.1.3 Sponsorships can have a social purpose, such as supporting a sports team, but the bulk of sponsorships are used to promote a company's reputation, brands, products and services.

10.1.4 Each sponsorship must be made in accordance with the Group's policies and procedures.

10.2 Charitable Donations

10.2.1 General Rule

All charitable donations must be made in accordance with the Group's policies and procedures.

10.2.2 Charitable donations refer to a payment or in-kind benefit gifted to a body having charitable or equivalent status and made without expectation of return.

10.2.3 Reasonable steps must also be taken in accordance with the Group's policies and procedures to verify that all recipient organisations do not constitute illegal payment to a Public Official or any individual or entity in violation of the Group's policies and procedures including this ABAC Policy.

10.3 Due Diligence

10.3.1 As a charitable donation or sponsorship can be used as subterfuge for bribery, due diligence must be conducted on the recipient organisation to understand the purpose of the request and background of the recipient organisation before providing the contribution or sponsorship.

10.3.2 Examples of “*red flag situations*” when dealing with sponsorships and charitable donations are as follows:

- (a) the proposed recipient /organisation has affiliations with Public Officials or their relatives are involved;
- (b) the contribution is made on behalf of a Public Official;
- (c) there is a risk of a perceived improper advantage for the Group;
- (d) the proposed recipient is based in a high-risk country, the request comes from a high-risk country or the activity takes place in a high-risk country; and
- (e) no clear indication or supporting evidence from the recipient organisation on the utilisation of the funds.

**The above list is not exhaustive*

10.4 If you are unsure of the authenticity of a request for sponsorship or a donation, you should consult the relevant Legal Department.

10.5 *Do's and Don'ts*

Do's	Don'ts
Employees must ensure that the proposed recipient is a legitimate organisation and the funding is in compliance with the applicable laws and not made to improperly influence a business outcome or perceived to provide an improper advantage to the Group.	Employees are not allowed to commit to sponsorship or donation to a political party or candidate on behalf of the Group, or use funds of the Group for a donation or contribution to a political party or individual political campaign.
A clear business case and set specific objectives must be established for all sponsorship payments.	Employees are not allowed to donate to charity to win a business deal or tenders on behalf of the Group.
All payments made to the recipient organisations must be monitored to ensure that the funds have been used for their intended purpose and the objectives have been met.	Employees should not commit any funds on behalf of the Group without undergoing the proper processes and procedures to evaluate the legitimacy of the request.
All payments and in-kind contributions or sponsorships must be accurately recorded in the books and records.	
Due diligence must be conducted on the recipient organisation prior	

to making charitable donations and sponsorships.	
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11. FACILITATION PAYMENTS

11.1 General Rule

Employees, Business Partners and Suppliers are prohibited from making an offer or making a promise to accept or request or obtain, either directly or indirectly, facilitation payments from any person for his or its own benefit or for the benefit of the Group or any other person.

11.2 “Facilitation payments” are payments made to secure or expedite the performance by a person performing a routine or administrative duty or function (e.g., clearing customs, scheduling inspections, etc).

11.3 Facilitation payments are usually made in cash or in-kind (e.g., liquor, cigarettes, etc).

11.4 However, in certain circumstances, facilitation payments need not involve cash or other financial assets. It can be any sort of advantage with the intention to influence them in their duties.

12. BREACHES AND REPORTING

12.1 General Rule

- 12.1.1 All Employees, Business Partners and Suppliers shall comply with all applicable laws and the policies and procedures of the Group.
- 12.1.2 Breach of any laws including, but not limited to, the Malaysian Anti-Corruption Commission Act 2009, Penal Code and Anti-Money Laundering Act 2001 could also subject the individual who committed the violation to civil or criminal penalties, including imprisonment or fine or both under the respective Acts.
- 12.1.3 Under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Directors of the Group may also be subject to criminal penalties, including imprisonment or fine or both if Employees, Business Partners or Suppliers or any third parties associated with the Group (or any one or more of the foregoing) commits bribery or is engaged in corrupt practices.

12.2 Consequences of a Breach

- 12.2.1 Any instance of actual or suspected breach of this ABAC Policy shall be reported to aax_whistleblower@airasia.com.
- 12.2.2 Failure to comply with this ABAC Policy may result in disciplinary actions being taken against such individual.

12.2.3 Employees

Any breach of this ABAC Policy by an Employee may result in the following disciplinary actions being taken against such Employee in accordance with the Disciplinary Policy:

- (a) caution letter;
- (b) written warning;
- (c) compensation deduction or reduction;
- (d) grounding of duties;
- (e) reprimand;
- (f) suspension;
- (g) downgrade or demotion of the Employee; or
- (h) dismissal.

12.2.4 Business Partners and Suppliers

Any breach of this ABAC Policy by a Business Partner or Supplier may result in the following disciplinary actions being taken against such Business Partner or Supplier:

- (a) written warning;

- (b) suspension;
- (c) termination;
- (d) blacklist; or
- (e) claim for damages.

APPENDIX A

Declaration of Compliance

I hereby confirm that I have read and understood the Anti-Corruption and Anti-Bribery Policy of AirAsia X Berhad (“**ABAC Policy**”).

I also understand my responsibility to immediately report any actual or suspected violation of the ABAC Policy.

I acknowledge that any failure by me to comply with the ABAC Policy may result in disciplinary action, up to and including termination of employment, taken against me.

Signature:

Name:

Department:

Date: