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## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5238  
**COMPANY NAME** : AIRASIA X BERHAD  
**FINANCIAL YEAR** : December 31, 2025

### **OUTLINE:**

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

#### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of Directors ("the Board") of AirAsia X Berhad ("AAX" or "the Company") is responsible for the oversight of the overall management of AAX and retains full and effective control over the affairs of AAX. It reviews the policies and strategies of AAX, actively oversees the conduct, management and business affairs of AAX, and monitors its Senior Management's performance.</p> <p>The Board ensures the effective discharge of its fiduciary and leadership functions as well as sustains long-term shareholder value while safeguarding the interests of stakeholders.</p> <p>The Board is guided by the Board Charter in discharging its duties and responsibilities effectively, whilst certain functions have been delegated to the Chief Executive Officer of the Company ("CEO"), Senior Management and the committees, namely the Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC"), Risk Management Committee ("RMC"), and Safety Review Board ("SRB") (collectively, referred to as "Board Committees" or "Committees"). The delegation of authority to the Committees, the CEO and Senior Management are set out in the Board Charter and in the terms of reference ("TOR") of the respective Committees.</p> <p>The Board meets its objectives and its obligations to its stakeholders by carrying out its functions effectively as set out in the Board Charter. The Board's principle responsibilities can be summarised as follows:-</p> <ul style="list-style-type: none"> <li>● Review, approve and adopt strategic corporate plans and actions for AAX and its subsidiaries ("the Group") and monitor management's performance in implementing them;</li> <li>● Set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group;</li> </ul>

	<ul style="list-style-type: none"> <li>● Ensure full compliance and to carry out the duties of the Board in accordance with the relevant provisions of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), the Capital Markets and Services Act 2007 (“CMSA”), the Companies Act 2016 (“CA”) and all applicable laws, regulations and guidelines, with the assistance of Legal department and the Company Secretary;</li> <li>● Oversee the conduct of the Group’s business and ensure that the management of AAX is competent and effective;</li> <li>● Ensure that there shall be unrestricted access to independent advice or expert advice at AAX’s expense in furtherance of the Board’s duties (whether as a Board or a director in his/her individual capacity);</li> <li>● Formalise ethical standards through a code of conduct which will be applicable throughout the Group and ensure the compliance of this code of conduct;</li> <li>● Ensure that the operations of AAX are conducted prudently, and within the framework of relevant laws and regulations;</li> <li>● Establish, approve, review and monitor AAX’s risk appetite and comprehensive risk management policies, processes and infrastructure, and receive regular reports therein, which is assisted by the RMC;</li> <li>● Approve delegated authority for expenditure, lending and other risk exposures, through the recommendation of the AC;</li> <li>● Consider emerging issues which may be material to the business and affairs of AAX and ensure that AAX has a proper succession plan for its Senior Management, through the recommendation of the NRC;</li> <li>● Monitoring and maintaining exemplary safety standards in AAX’s day-to-day operation, ensuring proactive identification, mitigation, and minimisation of any potential risk factors through SRB;</li> <li>● Keep under review and maintain AAX’s capital and liquidity positions as well as ensure that AAX’s strategies promote sustainability;</li> <li>● Review and approve proposals for the allocation of capital and other resources within AAX;</li> <li>● Review and approve AAX’s annual capital and revenue budgets (and any material changes thereto), following the review and recommendation of the AC;</li> <li>● Ensure that the Board has adequate procedures in place to receive reports periodically and/or on a timely basis from AAX’s management that would provide the Board with a reasonable basis to make proper judgement on an ongoing basis as to the financial position and business prospects of AAX;</li> <li>● Approve AAX’s annual reports and unaudited periodic financial statements as required by the applicable stock exchange, including</li> </ul>
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	<p>but not limited to other published financial statements and material and significant statements issued to shareholders;</p> <ul style="list-style-type: none"> <li>● Review the adequacy and integrity of AAX’s internal control system and management information systems, including systems for complying with applicable laws, regulations, rules, directives and guidelines;</li> <li>● Set up an internal audit department staffed with qualified personnel to perform internal audit functions, covering financial and management audit as well as regulatory compliance, that reports directly to AAX’s AC;</li> <li>● Establish procedures to assess any related party transactions or conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;</li> <li>● Establish and ensure the effective functioning and monitoring of the AC, RMC, NRC, SRB and any other committees as deemed necessary by the Board, and to delegate appropriate authority and TOR to such committees established by the Board;</li> <li>● Review an AC report at the end of each financial year that will be clearly set out in the annual report of AAX;</li> <li>● Look and address major and/or material litigation involving the Group as and when they arise;</li> <li>● Ensure that AAX has a beneficial influence on the economic well-being of its community;</li> <li>● Ensure that AAX has in place 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 AAX;</li> <li>● Receive and consider high level reports on matters material to AAX;</li> <li>● Receive the minutes of and/or reports from the Committees established by the Board;</li> <li>● Review and agree to changes in the TOR of the Committees and Board Charter established by the Board;</li> <li>● Achieve an optimum balance and dynamic mix of competent and diverse skill sets amongst the Board members;</li> <li>● Ensure adequate training of members of the Board, through the recommendation of the NRC and the Company Secretary;</li> <li>● Undertake an annual assessment of the independence of its independent directors annually in accordance with the assessment criteria to be developed by the NRC;</li> <li>● Conduct a Board evaluation through the NRC comprising of Board Assessment and an Individual Director Assessment;</li> <li>● Undertake a proper process for directors’ selection through NRC; and</li> </ul>
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	<ul style="list-style-type: none"> <li>Establish formal and transparent remuneration policies and procedures to attract and retain directors through the NRC.</li> </ul>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board of AAX is responsible for the following:-</p> <ul style="list-style-type: none"> <li>● Overseeing the Board to ensure the effective discharge of its role;</li> <li>● Instilling good corporate governance practices, leadership and effectiveness within the Board;</li> <li>● Monitoring the workings of the Board and the conduct of Board meetings;</li> <li>● Ensuring that all relevant issues for the effective running of AAX's business are on the agenda for Board meetings;</li> <li>● Ensuring that quality information to facilitate decision-making is delivered to Board members on a timely basis;</li> <li>● Encouraging all directors to play an active role in board activities;</li> <li>● Chairing general meetings of shareholders;</li> <li>● Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and</li> <li>● Liaising with the CEO and Company Secretary on the agenda for Board meetings.</li> </ul> <p>The roles and responsibilities of the Chairman have been clearly specified in the Board Charter, which is available on AAX's website at <a href="http://airasiac.com">http://airasiac.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the Malaysian Code on Corporate Governance 2021 ("MCCG"), the positions of the Chairman and CEO of AAX are held by different individuals. To provide proper checks and balances, the Chairman holds a Non-Executive position.</p> <p>The division of roles and responsibilities of the Chairman and CEO is set out in the Board Charter, which ensures a balance of power and authority.</p> <p>During the financial year ended 31 December 2025 ("FYE 2025"), the Chairman, Dato' Fam Lee Ee, led and managed the Board by focusing on strategy, governance and compliance, whereas the CEO, En. Benyamin bin Ismail, managed the business and operations of AAX and implemented the Board's decisions. On 19 January 2026, the Company appointed Mr. Tharumalingam a/l Kanagalingam as the Group CEO of AAX, and En. Benyamin bin Ismail was redesignated from CEO to General Manager of AAX.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: During FYE 2025 and as of the date of this report, the Chairman is neither a member of the AC nor the NRC and does not participate in any of these Committees' meetings by way of invitation or in any other capacity.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

## Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>AAX's Company Secretary was qualified to act as a company secretary in accordance with Section 235(2) of the CA. The former Company Secretary, Ms. Thin Pui Leng ("Ms. Thin"), was a Licensed Company Secretary approved by the Companies Commission of Malaysia ("CCM"). She resigned from AAX on 4 April 2025 and was replaced by Ms. Cynthia Gloria Louis ("Ms. Cynthia"), who is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). Both are registered with the CCM under Section 241 of the CA and have been issued practising certificates by the Registrar of Companies.</p> <p>All Directors had access to the Company Secretary, who also served in that capacity for the various Board Committees, save for the SRB, and ensured that Board procedures were followed. The Company Secretary advised on measures to be taken and requirements to be observed by AAX and its Directors arising from new statutes and guidelines issued by Bursa Malaysia, the Securities Commission Malaysia ("SC") and the CCM. The Company Secretary also advised the Directors on their obligations and duties to disclose their interest in AAX's securities, as well as any conflicts of interest in transactions involving AAX. In addition, the Company Secretary monitored and ensured the timely announcement to Bursa Malaysia and lodgement of statutory documents with the SC and the CCM.</p> <p>The former Company Secretary, Ms. Thin, attended all Board and Board Committee meetings during her tenure in FYE 2025, whereas Ms. Cynthia attended the majority of the Board and Board Committee meetings, as well as general meetings of AAX, during FYE 2025. For clarity, the Company Secretary is not required to attend SRB meetings, which are handled by the SRB. The Company Secretary ensured that accurate and proper records of the proceedings and resolutions passed were maintained in the statutory records at the registered office of AAX in compliance with the CA. The Company Secretary also facilitated timely communication of decisions made and policies set by the Board at Board meetings to Senior Management for action. The Company Secretary worked closely with Senior Management to ensure timely and appropriate information flowed within and to the Board and Board Committees, and between the Non-Executive Directors and Senior Management.</p>

	<p>The Company Secretary also served notice to Directors regarding closed periods for compliance in relation to trading in AAX's securities, in accordance with Chapter 14 on Dealings in Listed Securities of the MMLR of Bursa Malaysia.</p> <p>The appointment and removal of the Company Secretary are a matter reserved for the collective decision and approval of the Board.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The annual meeting dates of the Board and Committees are scheduled in advance so that the Directors can plan ahead and schedule these dates into their respective calendars. When exigencies prevent a Director from attending a Board or Committee meeting in person, that Director can participate by audio or video conference.</p> <p>The Directors' attendance at Board and/or Committees' meetings during FYE 2025 is disclosed in the Corporate Governance Overview Statement of the Annual Report for FYE 2025 ("Annual Report 2025").</p> <p>Prior to Board and Committees' meetings, all Directors receive the agenda and a set of meeting papers duly signed and recommended by the relevant senior management personnel, containing information for deliberation. This is to accord sufficient time for the Directors to review the meeting papers and seek clarification, if required, from Senior Management or the Company Secretary.</p> <p>The Company encourages a paperless environment. The Directors have private digital access to the meeting papers and other relevant information through a dedicated secured online platform. This enables the Company to control the access, internally and externally, to such meeting papers, thus preserving the confidentiality thereof.</p> <p>Upon conclusion of the meetings, the Company Secretary would circulate the minutes of the meetings to the management and Directors who were present at the meetings for review to ensure that the minutes accurately reflect the proceedings of the meetings, including whether any Director abstained from voting or deliberating on a particular matter. The minutes of a meeting would be confirmed and signed by the Chairman at the next meeting which normally takes place within two (2) to three (3) months from the preceding meeting.</p> <p>The Board allows remote participation by Senior Management from different locations or countries via video conferencing facilities to enable them to contribute to the meetings efficiently without incurring additional time and cost.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter informs prospective and existing Board members of their fiduciary duties and responsibilities as Directors of the Company. It sets out, amongst others, the membership and operation of the Board and principles of good corporate governance in accordance with the applicable codes and laws.</p> <p>The Board Charter sets out the division of roles between the Board and its Committees, as well as between the Board and Management, and the delegated authorities of certain functions to the following Committees to assist the Board with executing its responsibilities:-</p> <p>(a) AC;  (b) NRC;  (c) RMC; and  (d) SRB.</p> <p>Although the Board grants discretionary authority to its Committees to deliberate and decide on certain operational matters, the ultimate responsibility for final decisions on all matters lies with the Board.</p> <p>The Board Charter provides for an annual review to ensure its relevance in assisting the Board in discharging its duties in line with any changes in the corporate laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities. The Board Charter is available on AAX's website at <a href="http://airasiac.com">http://airasiac.com</a></p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has formalised ethical standards expected of its Directors, employees, agents and representatives through a Code of Business Conduct, which is available on the Company's website at <a href="http://airasiax.com">http://airasiax.com</a>.</p> <p>The Code of Business Conduct enables the Company to do its business fairly, impartially, ethically, and with the utmost regard for safety. The Company regards integrity as the basis of its relationships with its guests, suppliers and communities. It ensures the Company's Directors, employees, agents and representatives carry out their respective functions with honesty and impartiality, while complying with applicable laws and regulations. It sets out the prohibited activities or misconduct involving gifts, gratuities, bribes, dishonest behaviour and sexual harassment. The Code of Conduct and Ethics also promotes prudent management of conflicts of interest to ensure objectivity in carrying out the Company's duties.</p> <p>In addition to the Company's own Code of Conduct and Ethics, the Directors are also required to observe the Code of Ethics established by the CCM in furtherance of their duties.</p> <p>The Company adopted its Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"), which embodies the Group's commitment to conducting its business in an honest and ethical manner by implementing and enforcing systems that ensure bribery and corruption are prevented and further, sets out permissible and non-permissible conduct in the business practices of the Group. The last review of the ABAC Policy was completed in August 2025.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

**Practice 3.2**

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In order to improve the overall organisational effectiveness and uphold the integrity of the Company, the Company has established a whistleblowing programme which acts as a formal communication channel that enables all stakeholders to communicate their genuine and legitimate concerns to the Company.</p> <p>All concerns are addressed to the Head of Internal Audit, who will then compile all reports received, assess such concerns and recommend the appropriate actions. A summary report is tabled to and reviewed by the AC quarterly.</p> <p>All details including the name and position of the whistleblower will be kept strictly confidential throughout the investigation proceedings.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's sustainability strategies, priorities and targets are part of the Company's strategic plan(s) and are approved by the Board. The Board, supported by the Sustainability Steering Committee ("SSC") and RMC, assumes responsibility for overseeing and assessing the Company's sustainability strategies, policies, principles and practices and ensuring the implementation of appropriate systems to manage the Group's overall risk and sustainability exposure. The Sustainability Working Group implements the sustainability strategies and initiatives set by the SSC. The Board resolved on 26 February 2026, to rename the RMC as the Risk Management and Sustainability Committee to appropriately reflect its oversight of sustainability matters.</p> <p>Sustainability matters within the Group are addressed as part of its overall business strategy which covers Economic, Environmental, and Social material topics. These include Corporate Governance, Guest Experience, Information Security &amp; Data Privacy, Technology &amp; Innovation, Sustainable Supply Chain, Climate Strategy, Waste Management, Diversity &amp; Inclusion, Talent Attraction &amp; Retention, Health &amp; Safety, Human Rights and Community Investment.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group defines its stakeholders as those who are impacted through its operations as well as those with a vested interest therein. These stakeholders are grouped into the following categories with which the Group maintains open and ongoing dialogue through various engagement channels:-</p> <ul style="list-style-type: none"> <li>(a) Board of Directors;</li> <li>(b) Employees (Allstars);</li> <li>(c) Business Partners;</li> <li>(d) Customers (Guests);</li> <li>(e) Investors;</li> <li>(f) Market Analysts;</li> <li>(g) Regulators/Government Bodies;</li> <li>(h) Suppliers; and</li> <li>(i) Local Communities.</li> </ul> <p>The Group’s sustainability strategies, priorities and targets and progress are reported in the Sustainability Statement included in the Annual Report 2025.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During FYE 2025, the members of the Board attended various training programmes, conferences and seminars to keep abreast with the relevant developments in the business environment as well as the relevant regulatory requirements. This includes the sustainability issues relevant to the Group, including regulatory developments and its implications, challenges of sustainable aviation fuels and future proofing in the carbon markets.</p> <p>The training programmes attended by each Director during FYE 2025 are set out in the Corporate Governance Overview Statement of the Annual Report 2025.</p> <p>The Board receives regular updates on sustainability, including regulatory requirements and practices in various countries where AAX operates via the management and Company Secretary.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	As addressing material sustainability risks and opportunities is the responsibility of the Board, their evaluations have been realigned to include Economic, Environmental and Social considerations and sustainability yardstick to ensure accountability in their performance against sustainability targets.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Company implements team initiatives to strategically manage sustainability, by integrating sustainability considerations into its operations. The SSC and Sustainability Working Group (“SWG”) are tasked with addressing sustainability risks and opportunities in an integrated and strategic manner to support the company's long-term strategy and success.</p> <p>The SSC, led by the CEO and comprising the Leadership Team and Department Heads, is responsible for:</p> <ul style="list-style-type: none"><li>● Setting the sustainability strategies, policies, principles and practices in line with the Company’s direction; and</li><li>● Acting as a decision-making body for sustainability initiatives, including recommending them to the RMC for approval of the Sustainability Statement.</li></ul> <p>The SWG consists of senior representatives or subject matter experts from each department and is responsible for:</p> <ul style="list-style-type: none"><li>● Implementing the sustainability strategies and initiatives set by the SSC; and</li><li>● Preparing the Sustainability Report by ensuring the quality and extent of reporting and disclosure.</li></ul>

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC reviewed the size, balance and composition of the Board to ensure that the composition of the Board is refreshed periodically for it to operate in an effective manner.</p> <p>The tenure of each Director and annual re-election of Directors were reviewed by the NRC. In making its recommendations on the re-election of Directors, the NRC took into consideration the evaluation of the respective Directors' performance and contribution to the Board for FYE 2025.</p> <p>The NRC was generally satisfied that the Board comprised the right composition and the Directors have sufficient and relevant expertise in fulfilling their roles. In making its assessment and recommendations to the Board, the NRC considers the criteria such as diversity in skills, experience, age, cultural background, gender, independence, probity, integrity, reputation, competency, and time commitment to ensure a balanced composition of the Board in line with the business strategies of the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.2**

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	There were six (6) Directors on the Board for FYE 2025, of whom four (4) were Independent Directors. As such, there was a majority of Independent Directors on the Board for FYE 2025.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Tan Sri Asmat bin Kamaludin ("Tan Sri Asmat") served on the Board as an Independent Director for a cumulative term of over twelve (12) years. As part of the Board's renewal process and after considering his personal plans, Tan Sri Asmat voluntarily retired with effect from the conclusion of the Eighteenth Annual General Meeting ("18th AGM") of the Company held on 18 June 2025. The Board placed on record its appreciation for Tan Sri Asmat's valuable contributions during his tenure.</p> <p>None of the other Independent Directors have served on the Board for a period exceeding nine (9) years.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>AAX has adopted and implemented procedures for the nomination and election of Directors via the NRC. The NRC assesses candidates against the skills, knowledge and experience required by the Company and criteria outlined in the Company's Fit and Proper Policy. AAX recognises and embraces the benefits of having a diverse board. In line with its Board Diversity Policy, selection of candidates to join the Board is partially dependent on the pool of candidates with the necessary skills, knowledge and experience.</p> <p>The NRC reviews the nominee(s) for directorship and membership of the Committees by going through their profiles and conducting interviews, following which the NRC submits its recommendation to the Board for decision.</p> <p>Potential candidates are required to declare and confirm in writing their current directorships, and that they are not undischarged bankrupts, or involved in any court proceedings in connection with the promotion, formation or management of a corporation involved in fraud or dishonesty punishable upon conviction with imprisonment, or subject to any investigation by any regulatory authority under any legislation. Furthermore, candidates being considered for the position of Independent Director are required to declare and confirm their independence based on the criteria set out in the MMLR of Bursa Malaysia.</p> <p>AAX's diverse Board includes and makes good use of differences in skills, regional and industry experience, background, race, gender, ethnicity, age and other attributes of Directors. Besides, AAX maintains a good mix of diversity in the Senior Management of the Company. The ultimate decision of a Board appointment will be based on merit and contributions the candidate can bring to the Board.</p> <p>The NRC and Board will ensure that all appointments are properly made, that all information necessary is obtained, as well as all legal and regulatory obligations are met.</p>

	<p>The diversity in the race/ethnicity, age and gender of the existing Board during FYE 2025 was as follows:-</p> <table border="1" data-bbox="560 300 1145 492"> <thead> <tr> <th colspan="3">Race/Ethnicity</th> <th colspan="2">Gender</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>2</td> <td>0</td> <td>5</td> <td>1</td> </tr> </tbody> </table> <table border="1" data-bbox="560 528 1407 640"> <thead> <tr> <th colspan="4">Age Group</th> </tr> <tr> <th>40-49</th> <th>50-59</th> <th>60-69</th> <th>70-89</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>2</td> <td>4</td> <td>0</td> </tr> </tbody> </table> <p>The Board strongly believes that diversity of the Board’s composition is important to facilitate optimal decision-making by harnessing different insights and perspectives of Directors from a wide variety of backgrounds, experiences and skills.</p> <p>The appointment of key Senior Management was also made with due regard for diversity in skills, experience, age, cultural background and gender. Their detailed profiles are provided in the Annual Report 2025.</p>	Race/Ethnicity			Gender		Malay	Chinese	Indian	Male	Female	4	2	0	5	1	Age Group				40-49	50-59	60-69	70-89	0	2	4	0
Race/Ethnicity			Gender																									
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<p><b>Explanation for departure</b> :</p>																												
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																												
<p><b>Measure</b> :</p>																												
<p><b>Timeframe</b> :</p>																												

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a formal and transparent process whereby the NRC is responsible for identifying candidates who are suitably qualified to become Board members, including independent directors, and for making recommendations to the Board on the appointment of such individuals taking into consideration their knowledge, skills, experience, competencies, commitment and potential contribution.</p> <p>The NRC is supported by the People and Culture department in identifying suitable candidates for appointment to the Board.</p> <p>The Directors were appointed based on recommendations from non-executive directors, the CEO, third-party professional agencies and other independent sources.</p> <p>In identifying suitable candidates for appointment to the Board, the NRC considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. Some of the criteria to be taken into consideration in the selection process include but are not limited to the following:</p> <ul style="list-style-type: none"><li>(a) Leadership role in a mid - large size organisation.</li><li>(b) Millennial appeal.</li><li>(c) Gender diversity.</li><li>(d) Entrepreneurial skills.</li><li>(e) Global mindset.</li><li>(f) Digital savvy.</li><li>(g) Influencer.</li></ul> <p>The ultimate decision as to who is appointed shall be the responsibility of the Board after considering the recommendation(s) of the NRC.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Besides assessing the qualifications of the candidates for appointment as new directors, the Company conducts reference checks, and the candidates are interviewed by the NRC as part of the assessment process before their nominations are recommended to the Board.</p> <p>To determine the eligibility of retiring Directors to stand for re-election at the 18th AGM and in accordance with Practice 6.1 of the MCCG, the Board, through its NRC, conducted an assessment of the Directors of the Company based on their (i) performance and level of contribution to Board deliberation(s) through their skills and experience; and (ii) level of objectivity, impartiality and their abilities to act in the best interest of the Company.</p> <p>The NRC found no evidence of any interests, positions or relationships that might influence, or be reasonably perceived to influence, in all material aspects the respective Directors' capacity to exercise independent judgement on issues before the Board and to act in the best interests of the Company as a whole.</p> <p>For the upcoming Nineteenth Annual General Meeting ("19th AGM") scheduled to be held on 25 June 2026, the Independent Non-Executive Directors, Dato' Sri Mohammed Shazalli bin Ramly ("Dato' Sri Shazalli") and Dato' Abdul Mutalib bin Alias ("Dato' Mutalib"), are subject to retirement by rotation in accordance with Rule 119 of the Company's Constitution. Tan Sri (Dr.) Jamaludin bin Ibrahim ("Tan Sri Jamal"), who was appointed as an Independent Non-Executive Director on 24 February 2026 and who was subsequently redesignated as the Independent Non-Executive Chairman of AAX on 6 March 2026, is also subject to retirement in accordance with Rule 124 of the Company's Constitution. They actively participated in Board discussions, made constructive proposals, and acted in the best interests of the Company. They have abstained from deliberations and voting regarding their re-election at the relevant Board of Directors' Meeting.</p>

	The Board (except Dato' Sri Shazalli, Dato' Mutalib and Tan Sri Jamal), after considering the NRC's recommendation, is satisfied with their performance, fitness, and propriety. The Board recommends the re-election of Dato' Sri Shazalli, Dato' Mutalib and Tan Sri Jamal as Directors at the upcoming 19th AGM of the Company. The profiles of the Directors seeking re-election are set out in the Company's Annual Report 2025.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NRC was chaired by Tan Sri Asmat, an Independent Non-Executive Director of the Company until his retirement on 18 June 2025. Dato' Sri Shazalli was appointed as the new Chairman of NRC on the same date and chaired the NRC for the remainder of FYE 2025.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>During FYE 2025, the Board had one (1) woman Director, which constitutes 16.67% of the Board.</p> <p>The Board acknowledges the importance of gender diversity and recognises the benefits it can bring. The Board's primary focus in appointing new Directors is the strength of the Board members and the contributions they would bring to the Company. Therefore, the overriding aim in any new appointment is to select the best candidate available to achieve a balanced composition of the Board and ensure that Board decisions are made objectively and in the best interests of the Company, taking into account diverse perspectives and insights.</p> <p>The Board is taking a cautious approach in expanding its composition. The Board will consider appointing additional Directors should the need arise and will seek to broaden the pool of potential female candidates for Board positions.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.10**

The board discloses in its annual report the company’s policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In line with the Company’s Board Diversity Policy, the selection of candidates to join the Board is partially dependent on the pool of candidates with the necessary skills, knowledge, and experience. The Board believes that a truly diverse and inclusive Board will leverage the differences amongst its members to achieve effective stewardship and in turn, retain its competitive advantage. The Board is mindful of gender diversity and will endeavour to work toward it.</p> <p>The Company maintained strong women representation in its Senior Management team comprising 37.5% women. This is illustrated in the profiles of the Leadership Team as set out in the Annual Report 2025.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>					
<b>Application</b>	: Applied				
<b>Explanation on application of the practice</b>	: <p>The Board has established a formal process for assessing the effectiveness of the Board and its Committees as a whole and the contributions of each Director, including the independence of Independent Non-Executive Directors. This assessment makes reference to available guidelines and good corporate governance practices.</p> <p>The annual assessment criteria of the Board, its Committees and individual Directors were last reviewed and updated in April 2024 to align with best practices recommended under the MCCG. The areas covered in the annual assessment criteria include, but are not limited to the following:-</p> <table border="1"> <thead> <tr> <th>Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Board and Board Committees as a whole</td> <td> <ul style="list-style-type: none"> <li>● Role of the Chairman and CEO</li> <li>● Board balance, size and composition</li> <li>● Board procedures</li> <li>● Relationship of the Board with Management</li> <li>● Quality and supply of information to the Board and its Committees</li> <li>● Access to information and advice</li> <li>● Accountability for financial reporting, internal control and sustainability risk and opportunities</li> <li>● Relation with Auditors, Shareholders, Investors</li> <li>● Delegation to Board Committees</li> <li>● Directors' trainings</li> </ul> </td> </tr> </tbody> </table>	Evaluation	Assessment Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"> <li>● Role of the Chairman and CEO</li> <li>● Board balance, size and composition</li> <li>● Board procedures</li> <li>● Relationship of the Board with Management</li> <li>● Quality and supply of information to the Board and its Committees</li> <li>● Access to information and advice</li> <li>● Accountability for financial reporting, internal control and sustainability risk and opportunities</li> <li>● Relation with Auditors, Shareholders, Investors</li> <li>● Delegation to Board Committees</li> <li>● Directors' trainings</li> </ul>
Evaluation	Assessment Criteria				
Board and Board Committees as a whole	<ul style="list-style-type: none"> <li>● Role of the Chairman and CEO</li> <li>● Board balance, size and composition</li> <li>● Board procedures</li> <li>● Relationship of the Board with Management</li> <li>● Quality and supply of information to the Board and its Committees</li> <li>● Access to information and advice</li> <li>● Accountability for financial reporting, internal control and sustainability risk and opportunities</li> <li>● Relation with Auditors, Shareholders, Investors</li> <li>● Delegation to Board Committees</li> <li>● Directors' trainings</li> </ul>				

AC	<ul style="list-style-type: none"> <li>● Composition and quality</li> <li>● Oversight of the financial reporting process, including internal controls</li> <li>● Understanding on the business, including risk and control environment</li> <li>● Access to information and advice</li> <li>● Oversight of audit functions</li> <li>● Compliance with corporate governance</li> <li>● Assessments on both Internal Auditors and External Auditors</li> <li>● Staying abreast of relevant issues</li> <li>● Report and recommendations</li> </ul>
Executive Directors	<ul style="list-style-type: none"> <li>● Financial performance</li> <li>● Strategic and sustainability</li> <li>● Conformance and compliance</li> <li>● Business acumen/increasing shareholders' wealth</li> <li>● Succession planning</li> <li>● Personal input to the role</li> </ul>
Chairman	<ul style="list-style-type: none"> <li>● Attendance at Board and Committees' meetings</li> <li>● Key responsibilities of the Chairman</li> <li>● Regular contribution to Board and Committees' meetings</li> <li>● Personal input to the role</li> </ul>
Non-Executive Directors	<ul style="list-style-type: none"> <li>● Attendance at Board and Committees' meetings</li> <li>● Adequate preparation for Board and Committees' meetings</li> <li>● Regular contributions to Board and Committees' meetings</li> <li>● Personal input to the role</li> </ul>
<p>In respect of the annual performance evaluation for the FYE 2025, it was concluded that:-</p> <p>(a) The Board and its Committees discharged their duties and responsibilities effectively; and</p> <p>(b) Each Director continued to perform effectively and demonstrated commitment to his/her role.</p> <p>The Board was satisfied with the evaluation results. The Board will continue to review the Board's evaluation process as and when necessary to ensure it remains a valuable feedback mechanism for improving the Board's effectiveness.</p>	

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place a Remuneration Policy that is clear and transparent, designed to support and drive business strategy and long-term objectives of the Company. The Remuneration Policy is reviewed by the NRC prior to making its recommendations to the Board for approval.</p> <p>AAX maintains transparent procedures for determining the remuneration policy for the Directors, CEO and Senior Management. The NRC is responsible for reviewing and recommending to the Board the compensation payable to the Directors, CEO and Senior Management in connection with their individual contributions to AAX's overall performance or any loss or termination of their office or appointment, and the compensation arrangements related to their dismissal or removal for misconduct.</p> <p>The remuneration packages of Non-Executive Directors are determined by the Board as a whole based on the recommendation of NRC. All individual Directors concerned are to abstain from discussing their own remuneration to ensure that compensation is competitive and consistent with AAX's business strategy and long-term objectives.</p> <p>The fees and any benefits payable to the Non-Executive Directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting in accordance with Section 230 of the Act. The Company obtained approval for the payment of Directors' fees and benefits from the shareholders at the 18th AGM held on 18 June 2025 for a period up to the next annual general meeting to be held in the year 2026.</p>

	<p>The policy and procedures will be periodically reviewed and updated to ensure they remain competitive, appropriate, and aligned with prevalent market practices.</p> <p>The Remuneration Policy Statement is available on the corporate website at web <a href="https://www.airasiac.com">https://www.airasiac.com</a>.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During FYE 2025, the NRC comprised three (3) members, all of whom were Independent Non-Executive Directors.</p> <p>The segregation of the NRC's functions and responsibilities in relation to nomination and remuneration matters is clearly stated in its Terms of Reference, which are available on AAX's website at <a href="http://airasiax.com">http://airasiax.com</a></p> <p>The Company maintains transparent procedures in determining the remuneration of Directors. The determination of remuneration packages for Non-Executive Directors is a matter for the Board as a whole.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Directors' remuneration package is reviewed annually to support long-term sustainability and shareholder value, consistent with AAX's business strategy.</p> <p><b>1. Fee</b> The fees payable to the Directors for their services to the Board were based on a basic board fee and their respective additional responsibilities on the Board Committees.</p> <p><b>2. Benefits-in-kind</b> Other customary benefits (such as a meeting allowance of RM1,000 per attendance by each Director or Committee member, insurance premiums on medical coverage and other claimable expenses incurred in the course of carrying out their duties, up to a total amount of RM100,000 for all the Non-Executive Directors, travel coupons, etc.) were provided as appropriate.</p> <p>During FYE 2025, the meeting allowance payable to each Director or Committee member was revised from RM1,000 to RM2,000 per meeting, following shareholders' approval obtained at the 18th AGM held on 18 June 2025.</p> <p><b>3. Service contract</b> During FYE 2025, the CEO had a three-year renewable service contract with AAX.</p> <p>The detailed disclosure of the Directors' remuneration received during the FYE 2025 is as set out in the Corporate Governance Overview Statement included in the Annual Report 2025 and in the table below.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Fam Lee Ee	Non-Executive Non-Independent Director	238	22	Input info here	Input info here	Input info here	Input info here	260	238	22	Input info here	Input info here	Input info here	Input info here	260
2	Datuk Kamarudin bin Meranun	Executive Director	Input info here	Input info here	1,200	Input info here	Input info here	Input info here	1,200	Input info here	Input info here	1,200	Input info here	Input info here	Input info here	1,200
3	Tan Sri Asmat bin Kamaludin	Independent Director	58	7	Input info here	Input info here	Input info here	Input info here	65	58	7	Input info here	Input info here	Input info here	Input info here	65
4	Chin Min Ming	Independent Director	276	40	Input info here	Input info here	Input info here	Input info here	316	276	40	Input info here	Input info here	Input info here	Input info here	316
5	Dato' Abdul Mutalib bin Alias	Independent Director	322	40	Input info here	Input info here	Input info here	Input info here	362	322	40	Input info here	Input info here	Input info here	Input info here	362
6	Dato' Sri Mohammed Shazalli bin Ramly	Independent Director	349	42	Input info here	Input info here	Input info here	Input info here	391	349	42	Input info here	Input info here	Input info here	Input info here	391
7	Datuk Dr. Hj. Mazlan bin Hj. Ahmad	Independent Director	79	8	Input info here	Input info here	Input info here	Input info here	87	79	8	Input info here	Input info here	Input info here	Input info here	87
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board is of the view that disclosing the Senior Management's remuneration would be unfavourable to the Group as talent poaching is common in the industry. The Group aims to safeguard its employee and retention efforts.</p> <p>The disclosure of the salary of the top five senior management personnel is made on an aggregate basis in the Audited Financial Statements for the FYE 2025.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board will monitor the market practice in respect of such disclosures on a yearly basis.	
<b>Timeframe</b>	:	Others	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	For FYE 2025, the Chairman of the AC was Dato' Mutalib, while the Chairman of the Board was Dato' Fam Lee Ee.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

### Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company has not appointed any former partner of the external audit firm as a member of the AC.  Practice 9.2 in relation to the three (3) years' cooling-off period for former audit partners has been incorporated into the TOR of the AC, which is available on the AAX's corporate website at <a href="http://airasiax.com">http://airasiax.com</a>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, through the AC, has maintained an appropriate, formal and transparent relationship with the external auditors. The AC meets the external auditors without the presence of management, whenever necessary, at least twice a year. Meetings with the external auditors are held to further discuss AAX's audit plans, audit findings, financial statements as well as to seek their professional advice on other related matters. From time to time, the external auditors inform and update the AC on matters that may require their attention.</p> <p>An External Auditor Independence Policy was established to monitor the suitability, objectivity and independence of external auditors. In assessing the performance of the external auditors, including their independence policies and procedures, the AC noted that the external auditors had in accordance with the independence requirements set out in the By-Laws (on professional ethics, conduct and practice) of the Malaysian Institute of Accountants, evaluated the level of threat to objectivity and identified potential safeguards to prevent any threats prior to accepting any non-audit engagement.</p> <p>As part of its main functions and duties, the AC is responsible for assessing the suitability, objectivity and independence of the external auditor. This is stated in the AC's TOR under item 3(b)(iii) - Dealing with External Auditor, which states: AC assesses and monitors the effectiveness of the external auditors' performance and their independence and objectivity; In practice, the assessment is to be done based on an established basis that considers, among others:</p> <ul style="list-style-type: none"><li>(a) the competency, audit quality and resource capacity of the external auditor in relation to the audit;</li><li>(b) the nature and extent of the non-audit services rendered and appropriateness of the level of fees; and</li><li>(c) obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</li></ul>

	<p>Apart from the above, item 3b of the AC's TOR also includes the following matters:</p> <p>3(b)(i) consider the appointment of the external auditors, audit fees, resignation or dismissal of the external auditors; and</p> <p>3(b)(iv) discuss with the external auditors before the audit commences, the audit plan which includes the nature and scope of the audit.</p> <p>The AC was satisfied with the suitability, objectivity and independence of the external auditors, BDO PLT.</p> <p>The AC also obtained confirmation from the external auditor that they are and have been, independent throughout the conduct of the audit engagement in accordance with the terms and of the relevant professional and regulatory requirements.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The AC comprised three (3) Independent Non-Executive Directors during FYE 2025.

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board through its NRC reviews the performance and composition of the AC annually in accordance with Paragraph 15.20 of the MMLR of Bursa Malaysia. The composition of the AC during FYE 2025 met the requirements of paragraph 15.09(1)(c) of the MMLR of Bursa Malaysia.</p> <p>The Chairman and members of the AC were financially literate, and carried out their duties in accordance with the Terms of Reference of the AC. The AC members were expected to update their knowledge and enhance their skills continuously.</p> <p>Based on the performance evaluation of the AC, the Board was satisfied that the AC members had discharged their responsibilities effectively. The activities carried out by the AC are detailed in the AC Report of the Annual Report 2025.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

**Practice 10.1**

The board should establish an effective risk management and internal control framework.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board delegated the governance of the Group’s risks to the RMC. The RMC enabled the Board to undertake and evaluate key areas of risk exposures. The primary responsibilities of the RMC were as follows:</p> <ul style="list-style-type: none"> <li>● To oversee and recommend the Enterprise Risk Management (“ERM”) strategies, frameworks, policies and procedures for identifying and managing risks within the Group;</li> <li>● To review and recommend appropriate sustainability strategies, policies, principles and practices for the Group; and</li> <li>● To review and monitor information security on cyber-risks and data protection of the Group.</li> </ul> <p><b>Risk Management Framework</b> The Risk Management framework was coordinated by the Risk Management Department (“RMD”). The RMD assisted the RMC in discharging its risk management responsibilities. The RMD developed risk policies, provided guidance on risk related matters, and coordinated risk management activities with other departments. The RMD were also responsible for identifying, monitoring and informing the RMC of critical risks faced by the Group. Training and workshops were continuous initiatives by RMD to educate employees on risk management.</p> <p><b>Internal Control Framework</b> The Company also established a robust internal control framework, which covered key elements such as Board governance, Senior Management responsibilities, segregation of duties, internal policies and procedures, financial budgets, human management, limits of authority, insurance, information security, code of conduct, ABAC policy and procedures, and whistleblowing policy.</p>
<b>Explanation for departure</b>	:

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

**Practice 10.2**

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, through the RMC, oversees the Group’s risk management framework and policies as well as oversees the processes used to ensure effectiveness of risk identification, management and monitoring to safeguard the interests and meet the expectations of its shareholders, employees, customers and other stakeholders.</p> <p>The Management team upholds the role in ensuring that policies and procedures on risk management and internal control are in place to manage these risks, on behalf of the Board. The CEO, and Chief Financial Officer provide further assurance with regard to the adequacy and effectiveness of the Group’s risk management and system of internal control.</p> <p>Further details on the management and reporting of risks as well as the controls in place to mitigate and manage those risks are provided in the Statement on Risk Management and Internal Control in the Annual Report 2025.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board delegated the governance of the Group's risk to the RMC. The RMC of the Company comprised three (3) Independent Non-Executive Directors.</p> <p>The RMC enabled the Board to undertake and evaluate key areas of risk, sustainability and cyber security exposures. The primary responsibilities of the RMC were as follows:</p> <ul style="list-style-type: none"><li>• To oversee and recommend the ERM strategies, frameworks, policies and procedures for identifying and managing risks within the Group;</li><li>• To review and recommend appropriate sustainability strategies, policies, principles and practices for the Group; and</li><li>• To oversee the implementation of information security on cyber-risks and data protection of the Group.</li></ul> <p>The duties and responsibilities of the RMC were set out in its TOR which is available on AAX's corporate website at <a href="https://www.airasiac.com">https://www.airasiac.com</a></p>

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC's responsibility for internal audit is fulfilled through reviews of the quarterly and other reports from the IAD.</p> <p>In discharging its duties and responsibilities, the AC performed the following activities on internal audit during the FYE 2025:</p> <ul style="list-style-type: none"><li>• Deliberated and approved the Internal Audit Plan to ensure adequate scope and comprehensive coverage of audits, as well as to ensure the audit resources are sufficient to enable AC to discharge its functions effectively.</li><li>• Deliberated on investigation reports and after thoroughly understanding the cases, directed Management to implement controls to strengthen the control environment and prevent recurrence.</li><li>• Reviewed quarterly status reports on audit findings and discussed the rectification actions and timelines taken by Management to ensure that the control lapses are addressed and resolved promptly.</li><li>• Reviewed the results of operational audit reports.</li><li>• Provided assistance to the appointed external auditor in overseeing operational audits during each quarterly review.</li></ul> <p>AAX has an in-house IAD to assist the AC in carrying out its functions. IAD is guided by its Internal Audit Charter approved by the AC, which ensures independence and outlines the functions and responsibilities of the department. The IAD reports functionally to the AC and administratively to the CEO. The Head and all executives of the IAD declare yearly that they are free from any conflicts of interest which could impair their objectivity and independence.</p> <p>The principal responsibility of the IAD is to undertake regular and systematic reviews of the systems of internal controls to provide reasonable assurance that these systems continue to operate efficiently and effectively. The IAD adopts a risk-based methodology to develop its audit plans by determining the priorities of the internal audit activities.</p> <p>The audits cover the review of the adequacy of risk management, the strength and effectiveness of internal controls, compliance with internal statutory requirements, governance and management efficiency, among other areas.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The IAD is guided by its Internal Audit Charter approved by the AC, which ensures independence and outlines the functions and responsibilities of the department. The IAD reported functionally to the AC and administratively to the CEO of AAX during FYE 2025. The Head and all executives of IAD declare yearly that they are free from any conflicts of interest which could impair their objectivity and independence. The IAD carries out its audits, which are closely guided by the International Professional Practices Framework issued by The Institute of Internal Auditors Malaysia.</p> <p>The IAD has four (4) personnel based at the headquarters of AAX. The Head of Internal Audit, Ms. Wong Ooi Ling, is a member of the Malaysian Institute of Accountants.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company invests in considerable resources to develop and maintain strong relationships with different stakeholder groups. The public, Allstars, investors, investment community, the Government and all of AAX's business partners, play an important role in AAX's continuing success as a low-cost airline. To ensure consistency in the conveyance of information, the Company has established a few departments to interface with the Company's various stakeholders.</p> <p>AAX recognises that open communication is essential, taking into account the importance of the activities in which it is engaged and the impact on national economies and individuals. To this end, AAX has implemented comprehensive corporate information programmes and provides full relevant information about its activities to legitimately interested parties, subject to any overriding considerations of business confidentiality and cost.</p> <p>AAX is dedicated to maintaining good communication with shareholders and investors. Several communication channels are in place to disseminate information to shareholders and investors on the performance of AAX, including the Annual Report, quarterly results, announcements and others through Bursa Malaysia, annual general meetings, extraordinary general meetings, the corporate website, press releases and press conferences.</p> <p>Senior Management, supported by the Investors Relation Team, actively participates in investor relations activities that include road shows, conferences, quarterly investor briefings, both locally and globally, with financial analysts, investors and fund managers.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 12.2**

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>AAX dispatched its Notice of the 18th AGM to its shareholders on 30 April 2025, which was 48 clear days before the 18th AGM. This allowed shareholders to make the necessary arrangements to attend and participate in person or through their corporate representatives, proxies or attorneys. It also enabled shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the 18th AGM.</p> <p>The Company continued this best practice of providing at least 28 days' notice for the forthcoming 19th AGM to be held on 25 June 2026.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The following general meetings were held by the Company during FYE 2025:</p> <p>i. Extraordinary General Meeting (“EGM”) on 28 February 2025; and ii. 18th AGM on 18 June 2025.</p> <p>All Directors (except Datuk Kamarudin bin Meranun who was absent due to official commitments), including the respective Chairmen of the Board Committees, the CEO, the Chief Financial Officer, and the external auditors attended the above general meetings to listen to the shareholders' views and answer their questions. Shareholders were encouraged to participate in the proceedings and engage in dialogue with the Board and Senior Management.</p> <p>Extracts of the minutes of the above general meetings are available on AAX’s website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company conducted an EGM on 28 February 2025 via an online remote participation and voting platform. Subsequently, the Company held its 18th AGM as a fully physical meeting on 18 June 2025, without provision for remote participation or voting in absentia. Shareholders attended the 18th AGM in person and exercised their voting rights via electronic polling devices provided at the venue.</p> <p>The conduct of the 18th AGM was in line with the Securities Commission Malaysia's requirement that all public listed companies must conduct either hybrid or physical general meetings with effect from 1 March 2025. In determining the format of the 18th AGM, the Board took into consideration the Company's large and predominantly domestic shareholder base, the need to facilitate meaningful in-person engagement, and the prevailing regulatory guidance.</p> <p>For the EGM held on 28 February 2025, shareholders were able to participate remotely, engage with the Board and Management, raise questions, and exercise their voting rights via electronic voting. For the 18th AGM, shareholders attended physically, engaged directly with the Board and Senior Management, raised questions, and exercised their voting rights via electronic polling devices at the meeting venue..</p> <p>Adequate notice of both the EGM and 18th AGM and relevant meeting materials were provided in advance to enable shareholders to make informed voting decisions.</p> <p>The Board acknowledges the intent of Practice 13.3 to encourage greater use of technology and will continue to evaluate the adoption of electronic voting and remote participation at future general meetings, where appropriate.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

## Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>At the EGM held on 28 February 2025, the Chief Financial Officer presented an overview of the proposed new mandate for recurrent related party transactions, which would be implemented upon completion of the acquisition of 100% equity interest in AirAsia Berhad and AirAsia Aviation Group Limited by AAX. All Directors, the CEO and the Chief Financial Officer attended the EGM to listen to the shareholders' views and answer their questions.</p> <p>At the 18th AGM held on 18 June 2025, the CEO presented the financial and non-financial performance, sustainability agenda and the Group's prospects to the shareholders. All Directors present, the CEO, the Chief Financial Officer, and the external auditors attended the 18th AGM to listen to the shareholders' views and answer their questions.</p> <p>In ensuring that general meetings support meaningful engagement between the Board, Senior Management and shareholders, the Board provided shareholders with sufficient opportunity to pose questions prior to and during the general meetings. The Board and Senior Management endeavoured to answer all questions from shareholders or proxies during the general meetings. If some questions could not be answered during the general meetings due to time constraints, the answers were emailed to the respective shareholders or proxies as soon as possible after the general meetings.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company held an EGM on 28 February 2025 via an online remote participation and electronic voting platform. To facilitate meaningful engagement between the Board, Senior Management, and shareholders, the Company issued Administrative Notes providing all necessary details on how to attend, participate, and vote remotely.</p> <p>A team of IT personnel was on standby one (1) hour before and throughout the meeting to assist shareholders with any technical issues. Shareholders were given sufficient opportunity to pose questions, which were addressed by the Directors and Senior Management during the meeting. Any questions that could not be answered during the meeting due to time constraints were answered via email to the respective shareholders or proxies promptly after the meeting.</p> <p>The outcome of the EGM was announced by the Chairman at the meeting and subsequently released to Bursa Malaysia.</p> <p>The 18th AGM was held physically on 18 June 2025 in line with regulatory requirements for physical meetings and to facilitate in-person engagement between the Board, Senior Management and shareholders.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the EGM held on 28 February 2025 and 18th AGM of the Company held on 18 June 2025 were published on the Company's website no later than 30 business days after the respective general meetings, in accordance with Practice 13.6 of the MCCG.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

Not Applicable.
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