

MINUTES of the Eleventh Annual General Meeting of AirAsia X Berhad held at Asian Aviation Centre of Excellence, Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan on Tuesday, 23 May 2017 at 10.00 a.m.

---

Present & In Attendance : As per Attendance List

## **1.0 CHAIRMAN OF THE MEETING**

The Chairman of the Board of Directors (“Board”), Y. Bhg. Tan Sri Rafidah Aziz (“the Chairman” or “Tan Sri Rafidah Aziz”) welcomed the shareholders to the Company’s 11<sup>th</sup> Annual General Meeting (“the Meeting”). With the requisite quorum being present, the Chairman called the Meeting to order at 10.00 a.m.

## **2.0 NOTICE OF MEETING**

The notice convening the meeting, having been circulated and with the consent of the shareholders present, was taken as read.

Before proceeding with the meeting agenda, the Chairman highlighted that pursuant to Paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the Meeting dated 28 April 2017 would be put to vote by way of poll and that the voting for such resolutions would take place after the conclusion of the deliberations on all the businesses which were to be transacted. The Chairman informed that the Poll Administrator would brief the Meeting on the polling procedures before and during the commencement of the voting process.

## **3.0 PRESENTATION BY THE CHIEF EXECUTIVE OFFICER**

The Chairman invited the Company’s Chief Executive Officer, En. Benyamin Bin Ismail (“En. Benyamin”) to present a brief summary of the Companies activities in 2016.

En. Benyamin gave a brief power-point presentation on an overview of the Company’s businesses throughout 2016.

## **4.0 TO RECEIVE AND CONSIDER THE AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (“AFS 2016”)**

The Chairman informed that AirAsia X Berhad received a letter dated 18 May 2017 from the Minority Shareholder Watchdog Group (“MSWG”) for the 11<sup>th</sup> AGM. A copy of the said MSWG’s questions and answers together is attached as Annexure A.

**AIRASIA X BERHAD**  
**(“AirAsia X” or “the Company”)**  
Company No. 734161-K  
Incorporated in Malaysia

Page 2 of 11

AirAsia X Berhad

Summary of Proceedings of Eleventh Annual General Meeting held on 23 May 2017

---

For the benefit of the shareholders, En. Benyamin gave a summary of the reply in response to the questions raised in the said MSWG's letter. Thereafter, it was opened to the floor for questions on the Audited Financial Statements for the FY2016, as well as on the management of the Company.

Mr. Wan Heng Wah, a shareholder of the Company was pleased that the Company's yields had turned positive compared to its negative yields in 2015 and hoped that AirAsia X would continue to gain traction and target to achieve gearing. He inquired on the amount of sales generated from Honolulu (“HNL”) and Wuhan as the Company's newest destinations.

The Chairman affirmed that the Company was committed towards producing positive yields and answered that the aforesaid destinations were generating good sales as a result of reorganisation and strategic planning. The shareholders could be assured that the Board and the Management were working dedicatedly at all levels; however, circumstances could sometimes change which were out of the Management's control. The Chairman opined that AirAsia X could target many popular destinations but much planning would be required.

In terms of gearing, En. Benyamin said that the Company's key focus would be to reduce its debts and acquire a higher number of aircraft within a few years. Although it took almost a year to receive the relevant approvals for the HNL route, the demand for flights to Honolulu was significantly high especially from Japan and ASEAN in general. The first flight to Honolulu had been scheduled to take off on the third day of the Hari Raya Aidilfitri festive holiday and there were already daily flights to Wuhan. The Company was also aiming to increase the number of routes in India. En. Benyamin stressed that cost, consistency and sustainability were pivotal considerations in managing the above.

Ms. Mary Teoh Swee Gaik (“Ms. Mary Teoh”), a shareholder, expressed her condolences to the Company and the family of the late En. Anaz Ahmad Tajuddin (“En. Anaz”), and then invited the Meeting to observe one minute of silence in his memory. After a minute of silence, the Chairman commented that En. Anaz was a significant individual with so much dedication towards the Company and was glad that the shareholders recognised him for that. She thanked Ms. Mary Teoh for the commemoration.

Mr. Lee Kip Hong inquired on the Company's financials, a recent fraud case and the proposed change of Auditors. In response, the Chairman affirmed that (i) the Board and the Management had a high sense of commitment, were substantially vigilant in the actual operations of the Company and practised zero tolerance towards deviation from such values; (ii) the Board would receive reports on fraud cases from time to time and if any reports were found to be credible upon investigation, the Audit Committee and Finance Department would address the fraud case accordingly; however certain investigations had been prolonged as the police needed to question witnesses who were difficult to locate. Other than the foregoing, the Board was unable to reveal any further information as the matter was still

**AIRASIA X BERHAD**  
**(“AirAsia X” or “the Company”)**  
Company No. 734161-K  
Incorporated in Malaysia

Page 3 of 11

AirAsia X Berhad

Summary of Proceedings of Eleventh Annual General Meeting held on 23 May 2017

---

under investigations; and (iii) the Chairman said that the proposed change of Auditors was to standardise the use of one Audit firm for both the companies under the AirAsia brand.

Y. Bhg Datuk Kamarudin Bin Meranun (“Datuk Kamarudin”) further added that the Company’s most recent fraud case was being closely investigated by the Bukit Aman police department and further discussions on the matter may prejudice the investigations. He commented that Messrs PricewaterhouseCoopers Malaysia (“PWC”) had been the Company’s Auditors since the company’s incorporation and it would be good corporate governance practice to effect a change of Auditors now after so many years.

Y. Bhg Tan Sri (Dr.) Anthony Francis Fernandes (“Tan Sri Tony Fernandes”) then explained that AirAsia Berhad is proposing for the change of its Auditors from PWC to Messrs Ernst and Young (“EY”) which made it uneconomical for PWC to act as Auditors for AirAsia X because of their similar systems which were integrated for both companies and the cost of managing it.

Mr. Moothu Kumaran Bass (“Mr. Muthu”) pointed out that the Company’s price per share had been declining since the Initial Public Offering (“IPO”) and that many shareholders were still holding their shares bought at RM1.25 per share. He inquired on whether the Company was contemplating retrenchment of its staff. The Chairman answered that AirAsia X was expanding and that there were no plans for retrenchment. With respect to the share price, the Chairman commented that the Company was just only turning around its financials and would hereafter need strong understanding and continuous support from its shareholders.

Mr. Muthu complained that the venue of the Meeting was too far away from Kuala Lumpur especially for elderly shareholders who had to travel all the way. Datuk Kamarudin urged for the shareholders to embrace the opportunity to explore the venue and its facilities as well as to interact with the staff of AirAsia X.

Mr. Tay Chong Kiat expressed concern that a merger between AirAsia X and AirAsia Berhad could impose a loss for the shareholders in terms of the share price of both companies. The Chairman opined that there should not be any manipulation and that the share price was based on the market value thereof. She added that the Company was working efficiently to produce results which would improve the Company’s share price and instil more confidence among its shareholders. Tan Sri Dr. Tony Fernandes commented that AirAsia X was a new model of business with many competitors in the market.

Sharing the shareholders’ concerns, Datuk Kamarudin recalled that the Company had invested substantially on the purchase of new aircraft in late 2014 which was just before the occurrence of several mishaps, for instance the incident in relation to the flight in Surabaya during that year which severely affected the Company’s share price causing significant losses. He commented that any merger would be too premature and the Company was first aiming to generate returns for its stakeholders and their investments.

**AIRASIA X BERHAD**  
**(“AirAsia X” or “the Company”)**  
Company No. 734161-K  
Incorporated in Malaysia

Page 4 of 11

AirAsia X Berhad

Summary of Proceedings of Eleventh Annual General Meeting held on 23 May 2017

---

Mr. David Poh Chung Wee congratulated the Board for the financial achievements in 2016 and conveyed his support towards holding the Company’s AGM at the venue as it was more cost effective to do so. He inquired from En. Benyamin on the following matters: -

- i. The improvements in demand from the Chinese market and the Company’s strategies to increase the same; and
- ii. To add capacity to the 85% load factor, moving forward.

En. Benyamin answered that demand from Chinese tourists was on the rise and the Company would consider an addition to the capacity of the 85% load factor as long as it was commercially viable.

Mr. Wijeyamuni Anthony Peter Soyza (“Mr. Soyza”) inquired on why the Company did not pay dividends for the financial year 2016 despite its high financial achievements. He also indicated rumours about the Company’s aircraft cleaning vendors who did not turn up for duty on time and expressed concern that such irresponsible behaviour could erode the Company and its reputation.

En. Benyamin explained that such contractors were appointed based on tenders which were evaluated in terms of pricing and the respective vendors’ experience. Datuk Kamarudin requested for Mr. Soyza to write to the Board on his concern with the appropriate details thereof and be assured that the Management would investigate it.

Dr. Chow Hon Keong, a shareholder, inquired if the Company would be announcing a dividend policy for its shareholders. Datuk Kamarudin reminded the shareholders that their investment was in a growing company and dividends would be the benefit from such growth going forward.

In response to the shareholder’s query on the Company’s profitability and inability to pay dividends, Tan Sri Tony Fernandes explained that there were many external issues affecting the share price and dividend payout; nonetheless the Board and the Management continued to work hard to overcome the challenges. He updated the meeting that the Management was in discussions to focus on country dominance. Tan Sri Tony Fernandes also pointed out that Thai AirAsia X Co., Ltd was becoming more profitable. Indonesia AirAsia X (“IAAX”) was also doing well considering the many regulatory issues faced by IAAX during the interim of its business. The shareholder hoped that with the continued participation of Tan Sri Tony Fernandes, the financial state of the Company would improve consistently.

There were also many shareholders who praised and congratulated the Management for the significant financial results and the progress made for 2016. Tan Sri Rafidah Aziz, on behalf of the Board and the Management, thanked the Shareholders for their continuous support.

**AIRASIA X BERHAD**  
**(“AirAsia X” or “the Company”)**  
Company No. 734161-K  
Incorporated in Malaysia

Page 5 of 11

AirAsia X Berhad  
Summary of Proceedings of Eleventh Annual General Meeting held on 23 May 2017

---

The Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2016 ("FY2016") together with the Reports of the Directors and Auditors shall be as received and duly tabled at the 11th AGM in accordance with Section 340(1)(a) of the Companies Act ("CA") 2016. The Chairman further explained that the Audited Financial Statements for the FY2016 were for discussion only under Agenda 1, as it did not require shareholders' approval. Hence, it would not be put for voting.

With that, the Chairman concluded the questions and answers session for Agenda 1, and proceeded to the next agenda item.

**5.0 ORDINARY RESOLUTION 1**  
**APPROVAL FOR THE PAYMENT OF NON-INDEPENDENT NON-EXECUTIVE DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The Chairman invited questions and noted there were none and continued with the said resolution for consideration.

Ordinary Resolution 1 was proposed by Mr. Low Poh Sim and seconded by Mr. Moothu Kumaran Bass.

**6.0 ORDINARY RESOLUTION 2**  
**APPROVAL FOR THE PAYMENT OF NON-EXECUTIVE DIRECTORS' REMUNERATION WITH EFFECT FROM THE FINANCIAL YEAR ENDING 31 DECEMBER 2017**

The Chairman invited questions and noted there were none and continued with the said resolution for consideration.

Ordinary Resolution 2 was proposed by Mr. Low Poh Sim and seconded by Mr. Cheong Shih Kian.

**7.0 ORDINARY RESOLUTION 3**  
**RE-ELECTION OF TAN SRI DR. ANTHONY FRANCIS FERNANDES**

7.1 The Chairman invited questions and noted there were none and continued with the said resolution for consideration.

Ordinary Resolution 3 was proposed by Mr. Wijeyamuni Anthony Peter Soyza and seconded by Mr. Chiew Sing Cheong.

**8.0**      **ORDINARY RESOLUTION 4**  
**RE-ELECTION OF DATO’ YUSLI BIN MOHAMED YUSOFF**

The Chairman invited questions and noted there were none and continued with the said resolution for consideration.

Ordinary Resolution 4 was proposed by Mr. Moothu Kumaran Bass and seconded by Ms. Ong See Ai.

**9.0**      **ORDINARY RESOLUTION 5**  
**RE-APPOINTMENT OF TAN SRI RAFIDAH AZIZ**

The Chairman informed the Meeting that as the motion under consideration was in relation to her appointment and with the consent from the shareholders, she passed the Chair to Datuk Kamarudin Bin Meranun (“Datuk Kamarudin”) to table the motion.

Datuk Kamarudin invited questions and noted there were none and continued with the said resolution for consideration.

Ordinary Resolution 5 was proposed by Ms. Ong See Ai and seconded by Mr. Moothu Kumaran Bass.

The Chair was passed back to Tan Sri Rafidah thereafter.

**10.0**     **ORDINARY RESOLUTION 6**  
**RE-APPOINTMENT OF TAN SRI ASMAT BIN KAMALUDIN**

The Chairman invited questions and noted there were none and continued with the said resolution for consideration.

Ordinary Resolution 6 was proposed by Mr. Low Kian Haun and seconded by Ms. Ngee Geok Choo.

**11.0**     **ORDINARY RESOLUTION 7**  
**APPOINTMENT OF AUDITORS**

The Chairman invited questions and noted there were none and continued with the said resolution for consideration.

Ordinary Resolution 7 was proposed by Mr. James Mah and seconded by Mr. Moothu Kumaran Bass.

**12.0 SPECIAL BUSINESS – ORDINARY RESOLUTION 8**  
**AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

The Chairman invited questions and noted there were none and continued with the said resolution for consideration.

Ordinary Resolution 8 was proposed by Mr. James Mah and seconded by Mr. Moothu Kumaran Bass.

**13.0 SPECIAL BUSINESS – ORDINARY RESOLUTION 9**  
**PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Chairman notified the shareholders that the details of the proposed ordinary resolution were set out in the notice of meeting appearing on page 242, 243 and 244 of the Annual Report 2016.

The Chairman invited questions and noted there were none and continued with the said resolution for consideration.

Ordinary Resolution 9 was proposed by Mr. Moothu Kumaran Bass and seconded by Mr. Chiew Sing Cheong.

**14.0 POLLING PROCESS**

For polling purposes, the Chairman declared the closure of the registration for attendance at the 11th AGM and called upon En. Shamsul of Symphony Share Registrars Sdn. Bhd., the representative of the Poll Administrator to brief on the polling procedures.

The Chairman adjourned the 11th AGM for approximately 45 minutes for the polling. The Chairman informed that Poll Administrator would assist shareholders/proxies facing any difficulties during the electronic polling process.

**15.0 ANNOUNCEMENT OF POLL RESULTS**

- 15.1 The 11th AGM re-convened and the Chairman called the meeting to order for the declaration of the results. The Chairman informed that the Scrutineers, Messrs Symphony Corporatehouse Sdn. Bhd. had verified the poll voting results and that the poll voting results were as projected on the screen in the meeting room. The poll voting results are attached as Annexure B.

**AIRASIA X BERHAD**  
**(“AirAsia X” or “the Company”)**  
Company No. 734161-K  
Incorporated in Malaysia

Page 8 of 11

AirAsia X Berhad  
Summary of Proceedings of Eleventh Annual General Meeting held on 23 May 2017

---

Based on the poll results as Annexure B verified by the Scrutineers, The Chairman declared all resolutions tabled at the 11th AGM carried.

Therefore, **IT WAS RESOLVED: -**

**ORDINARY RESOLUTION 1**  
**APPROVAL FOR THE PAYMENT OF NON-INDEPENDENT NON-EXECUTIVE DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**THAT** the payment for Non-Independent Non-Executive Directors' Fees of RM246,885 for the financial year ended 31 December 2016 is approved.

**ORDINARY RESOLUTION 2**  
**APPROVAL FOR THE PAYMENT OF NON-EXECUTIVE DIRECTORS' REMUNERATION WITH EFFECT FROM THE FINANCIAL YEAR ENDING 31 DECEMBER 2017**

**THAT** the payment for Non-Executive Directors' Remuneration with effect from the financial year ending 31 December 2017 is approved, the details of which are disclosed in Note C of the Notice of the 11<sup>th</sup> AGM, be and is hereby approved.

**ORDINARY RESOLUTION 3**  
**RE-ELECTION OF TAN SRI DR. ANTHONY FRANCIS FERNANDES**

**THAT** Tan Sri Dr. Anthony Francis Fernandes, the Director who retired pursuant to Article 126 of the Company's Articles of Association, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company.

**ORDINARY RESOLUTION 4**  
**RE-ELECTION OF DATO' YUSLI BIN MOHAMED YUSOFF**

**THAT** Dato' Yusli Bin Mohamed Yusoff, the Director who retired pursuant to Article 126 of the Company's Articles of Association, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company.

**ORDINARY RESOLUTION 5**  
**RE-APPOINTMENT OF TAN SRI RAFIDAH AZIZ**

**THAT** Tan Sri Rafidah Aziz, be and is hereby appointed as a Director of the Company.

**AIRASIA X BERHAD**  
**(“AirAsia X” or “the Company”)**  
Company No. 734161-K  
Incorporated in Malaysia

Page 9 of 11

AirAsia X Berhad  
Summary of Proceedings of Eleventh Annual General Meeting held on 23 May 2017

---

**ORDINARY RESOLUTION 6**  
**RE-APPOINTMENT OF TAN SRI ASMAT BIN KAMALUDIN**

**THAT** Tan Sri Asmat Bin Kamaludin, be and is hereby appointed as a Director of the Company.

**ORDINARY RESOLUTION 7**  
**APPOINTMENT OF AUDITORS**

**THAT** Messrs Ernst & Young be hereby appointed as Auditors of the Company in place of the retiring Auditors and to hold office until conclusion of the next Annual General Meeting at a fee to be determined by the Board of Directors.

**SPECIAL BUSINESS – ORDINARY RESOLUTION 8**  
**AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

**THAT** pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject to the approval of relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

**SPECIAL BUSINESS – ORDINARY RESOLUTION 9**  
**PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**THAT** approval be and is hereby given for the renewal of the existing shareholders’ mandate and new shareholders’ mandate for the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties (“**Recurrent Related Party Transactions**”) as set out in Section 2.6 of the Circular to Shareholders dated 28 April 2017 (“**Circular**”), subject further to the following:

- (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business which are necessary for the day-to-day operations and are on terms which are not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arm’s length basis and on normal commercial terms which are not to the detriment of the minority

**AIRASIA X BERHAD**  
**(“AirAsia X” or “the Company”)**  
Company No. 734161-K  
Incorporated in Malaysia

Page 10 of 11

AirAsia X Berhad

Summary of Proceedings of Eleventh Annual General Meeting held on 23 May 2017

---

shareholders of the Company;

- (ii) the disclosure is made in the annual report of the breakdown of the aggregated value of the Recurrent Related Party Transactions conducted pursuant to the shareholders’ mandate during the financial year, among others, based on the following information:
  - i) the type of Recurrent Related Party Transactions made; and
  - ii) the names of the related parties involved in each type of the Recurrent Related Party Transaction made and their relationship with the Company;
- (iii) the shareholders’ mandate is subject to annual renewal and this shareholders’ mandate shall only continue to be in full force until:
  - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which this shareholder’ mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, such authority is renewed;
  - (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (“Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earliest.

**THAT** the Directors of the Company and/or any one of them be and are hereby authorised to complete and do all such acts and things as they consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any modifications, variations and/or amendments as the Directors of the Company in their discretion deem fit and expedient to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution.

**AND THAT** as the estimates given for the Recurrent Related Party Transactions specified in Section 2.3 of the Circular being provisional in nature, the Directors of the Company and/or any one of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.6 of the Circular.

**AIRASIA X BERHAD**  
**(“AirAsia X” or “the Company”)**  
Company No. 734161-K  
Incorporated in Malaysia

Page 11 of 11

AirAsia X Berhad  
Summary of Proceedings of Eleventh Annual General Meeting held on 23 May 2017

---

**16.0      OTHER ORDINARY BUSINESS**

The Secretary informed the meeting that she has not received any due notice to transact any other business.

**17.0      CLOSE OF MEETING**

There being no other matters, the meeting closed at 2.10 p.m. with a vote of thanks from Mr. Moothu Kumaran Bass to the Chair.