

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting of AirAsia X Berhad (734161-K) ("AAX" or "the Company") will be held at CAE Kuala Lumpur (formerly known as Asian Aviation Centre of Excellence), Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia on Monday, 4 June 2018 at 10.00 a.m. for the following purposes:-



AIRASIA X BERHAD
(COMPANY NO. 734161-K)

AS ORDINARY BUSINESS

- 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 2017. **Please refer to Note A.**
- To approve an additional Directors' Fees of RM25,000 in respect of financial year ended 31 December 2017 to be divided amongst the Non-Executive Directors as described in Note B. **(Resolution 1) Please refer to Note B.**
- To approve the Non-Executive Directors' Remuneration as described in Note C with effect from the financial year ending 31 December 2018 until the next Annual General Meeting of the Company to be held in the year 2019. **(Resolution 2) Please refer to Note C.**
- To re-elect the following Directors of the Company, who retire pursuant to Article 126 of the Company's Articles of Association:-
 - Datuk Kamarudin Bin Meranun; **(Resolution 3)**
 - Dato' Fam Lee Ee; and **(Resolution 4)**
 - Mr. Lim Kian Onn. **(Resolution 5)**
- To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following Resolutions:

- ORDINARY RESOLUTION 1
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

"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." **(Resolution 7) Please refer to Note D.**
- ORDINARY RESOLUTION 2
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED MANDATE")**

"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 2.3 of the Circular to Shareholders dated 30 April 2018 ("Circular"), subject further to the following:

 - 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 shareholders of the Company;
 - the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, among others, based on the following information:
 - the type of Recurrent Related Party Transactions made; and
 - the names of the related parties involved in each type of the Recurrent Related Party Transaction made and their relationship with the Company;
 - the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:
 - the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which this shareholders' mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, such authority is renewed;
 - 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
 - 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." **(Resolution 8) Please refer to Note E.**

8. SPECIAL RESOLUTION PROPOSED ALTERATION OR AMENDMENT OF THE CONSTITUTION OF THE COMPANY

"THAT approval be and is hereby given to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in Appendix A with immediate effect AND THAT the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modification and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing." **(Resolution 9) Please refer to Note F.**

9. OTHER ORDINARY BUSINESS

To transact any other business of which due notice shall have been given.

By Order of the Board

JASMINDAR KAUR A/P SARBAN SINGH
(MAICSA 7002687)
Company Secretary
Kuala Lumpur
30 April 2018

NOTES ON APPOINTMENT OF PROXY

- Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Article 44(1) of the Company's Articles of Association, only those Foreigners (as defined in the Articles) who hold shares up to the current prescribed foreign ownership limit of 45.0% of the total issued and paid-up capital, on a first-in-time basis based on the Record of Depositors to be used for the forthcoming Annual General Meeting, shall be entitled to vote. A proxy appointed by a Foreigner not entitled to vote, will similarly not be entitled to vote. Consequently, all such disenfranchised voting rights shall be automatically vested in the Chairman of the forthcoming Annual General Meeting.
- A member must be registered in the Record of Depositors at 5.00 p.m. on 25 May 2018 ("General Meeting Record of Depositors") in order to attend and vote at the Meeting. A depositor shall not be regarded as a Member entitled to attend the Meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors. Any changes in the entries on the Record of Depositors after the abovementioned date and time shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
- A member entitled to attend and vote is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative), to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy(ies).
- The Proxy Form in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

- Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The Proxy Form or other instruments of appointment shall not be treated as valid unless deposited at the Registered Office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting. **Faxed copies of the duly executed form of proxy are not acceptable.**
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice shall be put to vote by way of poll.

EXPLANATORY NOTES:

- Audited Financial Statements together with the Reports of the Directors and Auditors thereon for the financial year ended 31 December 2017**

This Agenda item is meant for discussion only as under the provisions of Section 248(2) and 340(1) of the Companies Act, 2016. The audited accounts do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.
- To approve an additional Directors' Fees of RM25,000 for the Non-Executive Directors for the financial year ended 31 December 2017 (Resolution 1)**

The Board of Directors had on 24 August 2017, established a new Board Committee namely, Risk Management Committee ("RMC") and comprised of three (3) Non-Executive Directors. The Nomination and Remuneration Committee ("NRC") proposed and the Board of Directors affirmed the following fees for the Chairman and Members of the RMC for the financial year ended 31 December 2017:-

Non-Executive Directors' Fee (per annum)	Per Non-Executive Director/Per other Committee Member RM
RMC Chairman (w.e.f. 24/08/2017)	RM30,000
RMC members (w.e.f. 24/08/2017)	RM20,000

The Shareholder's approval is being sought under Resolution 1 for an additional Directors' Fees of RM25,000 for the Non-Executive Directors for the financial year ended 31 December 2017 as per the explanation above.

- To approve the Non-Executive Directors' Remuneration with effect from the financial year ending 31 December 2018 until the next Annual General Meeting ("AGM") of the Company to be held in the year 2019 (Resolution 2)**

The NRC recommended and the Board of Directors affirmed that the Non-Executive Directors' Remuneration with effect from the financial year ending 31 December 2018 until the next AGM of the Company to be held in the year 2019 shall remain unchanged as per the financial year ended 31 December 2017 same with the addition of fees for the RMC as shown below:-

Non-Executive Directors' Fee (per annum)	Non-Executive Chairman RM	Per Non-Executive Director/Per other Committee Member RM
Board of Directors	165,000	65,000
Audit Committee	40,000	30,000
NRC	30,000	20,000
SRB	30,000	20,000
RMC	30,000	20,000

Non-Executive Directors' Benefits (per attendance by each director or committee member)	Board Directors	Board Committees
Meeting allowance	RM 1,000	RM 1,000

Other Non-Executive Directors' Benefits

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 Non-Executive Directors.

The Shareholder's approval is being sought under Resolution 2 for the payment of the remuneration to Non-Executive Directors for the financial year ending 31 December 2018 up to the next AGM of the Company in accordance with the remuneration structure as set out above.

- Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016 (Resolution 7)**

Ordinary Resolution 1 has been proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act ("General Mandate"). Ordinary Resolution 1, if passed, will give the Directors of the Company authority to issue ordinary shares in the Company at their discretion without having to first convene another general meeting. The General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The General Mandate, if granted, will provide the flexibility to the Company for any future fund raising activities, including but not limited to further placing of shares for the purposes of funding future investment project(s), repayment of bank borrowing, working capital and/or acquisition(s) and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s).

- Proposed renewal of existing shareholders' mandate and new shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature ("Proposed Mandate") (Resolution 8)**

Ordinary Resolution 2, if passed, will allow the Group to enter into Recurrent Related Party Transactions of revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the Circular to Shareholders dated 30 April 2018 for further information.

- Proposed alteration or amendment of the Constitution of the Company (Resolution 9)**

The proposed amendments to the existing Memorandum and Articles of Association (Constitution) of the Company (Proposed Amendments) are made mainly for the following purposes:

- To ensure compliance with the amended Bursa Malaysia Securities Berhad Main Market Listing Requirements which was issued on 29 November 2017; and
- To provide clarity and consistency with the amendments that arise from the Companies Act, 2016 effective 31 January 2017.

In view of the substantial amount of Proposed Amendments to the Constitution, the Board of Directors proposed that the existing Constitution be altered or amended by the Company in its entirety by the replacement thereof with a new Constitution which incorporated all the Proposed Amendments (New Constitution) as set out in **Appendix A**.

The Shareholder's approval is being sought under Special Resolution for the Company to alter or amend the whole of the existing Constitution by the replacement thereof with the New Constitution as per Appendix A in accordance with Section 36(1) of the Companies Act, 2016. The Appendix A on the Proposed New Constitution of the Company, which is circulated together with the Notice of Twelfth Annual General Meeting dated 30 April 2018, shall take effect once the proposed Resolution 9 has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Twelfth Annual General Meeting.