

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of AirAsia Berhad (284669-W) ("AirAsia" or "the Company") will be held at AirAsia Academy, Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia on Monday, 20 June 2011 at 10.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. 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 2010. (Resolution 1)
2. To declare a First and Final Dividend of 30% or 3 sen per ordinary share of RM0.10 for the financial year ended 31 December 2010 comprising as follows:- (Resolution 2)
 - (i) Gross Dividend of 9.1% per ordinary share of RM0.10 less Malaysian Income Tax at 25%;
 - (ii) Tax Exempt Dividend of 0.2% per ordinary share of RM0.10; and
 - (iii) Single Tier Dividend of 20.7% per ordinary share of RM0.10.
3. To approve Directors' Fees of RM2,203,000 for the financial year ended 31 December 2010. (Resolution 3)
4. To re-elect the following Director who retires pursuant to Article 124 of the Company's Articles of Association: (Resolution 4)
 - (a) Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar
5. To re-elect the following Director who retires pursuant to Article 130 of the Company's Articles of Association: (Resolution 5)
 - (a) En. Mohd Omar Bin Mustapha
6. To consider and, if thought fit, pass the following resolution pursuant to Section 129 of the Companies Act, 1965: (Resolution 6)

"THAT Dato' Leong Sonny @ Leong Khee Seong, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting."
7. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)

AS SPECIAL BUSINESS

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

8. **ORDINARY RESOLUTION - AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** (Resolution 8)

"THAT pursuant to Section 132D of the Companies Act, 1965 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"

OTHER ORDINARY BUSINESS

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

NOTICE OF DIVIDEND PAYMENT AND DIVIDEND ENTITLEMENT DATE

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Eighteenth Annual General Meeting of the Company to be held on Monday, 20 June 2011, a First and Final Dividend of 30% or 3 sen per ordinary share of RM0.10 for the financial year ended 31 December 2010 will be paid on Tuesday, 19 July 2011 to depositors whose names appear in the Record of Depositors on Monday, 20 June 2011. A depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on Monday, 20 June 2011, in respect of ordinary transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

JASMINDAR KAUR A/P SARBAN SINGH (MAICSA 7002687)
Company Secretary Selangor Darul Ehsan
27 May 2011

NOTES ON APPOINTMENT OF PROXY

- (a) Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Article 43(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.
- (b) 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. A proxy need not be a member of the Company.
- (c) 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.
- (d) 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.
- (e) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one but not more than two (2) proxies in respect of each securities account it holds to which ordinary shares in the Company are credited.
- (f) The Proxy Form or other instruments of appointment shall not be treated as valid unless deposited at the Registered Office of the Company at 25-5, Block H, Jalan RJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, 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.**

EXPLANATORY NOTES:

1. Authority to allot shares pursuant to Section 132D of the Companies Act, 1965 (Resolution 8)

Ordinary Resolution 8 has been proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965 (hereinafter referred to as the "General Mandate"). Ordinary Resolution 8, 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 or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Seventeenth Annual General Meeting held on 24 June 2010 which will lapse at the conclusion of the Eighteenth Annual General Meeting.

The General Mandate, if granted, will enable the Company to fulfill its obligations under the Company's Employees' Share Option Scheme in an expedient manner as well as provide 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).

2. Datuk Alias bin Ali who retires pursuant to Article 124 of the Company's Articles of Association, will not be seeking for re-election at the forthcoming Annual General Meeting of the Company and therefore shall retire at the conclusion of the said Annual General Meeting.