



# **Corporate Social Responsibility**

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With the good intention in making Thai Air Asia, which is owned by Asia Aviation, become the low-cost airline for everyone, we are committed to serve as a cog in creating, developing and improving the sustainable Thai society. The Company set up policies on social responsibility or Corporate Social Responsibility (CSR) covering its operations and via various potential projects, which cover the following topics:

### **1. Responsibility toward Consumer**

Thai Air Asia is committed to operate under 2014 concept of making everyone realizes of our services as “Truly Low Fares, Trusted Quality”. Apart from being the leader in Low fares airline, our “service quality” is the key best expressing our consumer responsibility. Start from the confidence in our services rendered by 40 Airbus A320 aircrafts of Thai Air Asia (status at the end of 2014), which are new airplanes from Airbus Factory in Toulouse, France. We are confident of the internationally accepted manufacturing standards.

In addition, Thai Air Asia has developed the comprehensive aircraft repair and maintenance and safety training systems to all of the related parties like pilots, crew and staff in every department. The training is to get ready for the emergency situations, including reliable safety audit system to ascertain that we strictly comply with the aviation industry safety standards. Department of Civil Aviation will audit the Company twice a year on safety basis. The supervising authorities from other countries will frequently audit on our safety as well.

In term of service rendering, Thai Air Asia considers the consumers’ benefits as the important factor by committing to offer service with worthy, reliability and friendship. We focus on punctual service as the first priority by consistently controlling the on time flight schedule. In 2014, flights run by Thai Air Asia were the most on time performance in the country rated by FlightStats. We are proud that this factor shows our operations with full efficiency to every consumer.

However, Thai Air Asia has warning systems for flights cancellation and postponement to the customers via email, SMS or telephone. Any customers who are not able to contact the Company via these channels will be notified at the check-in counter before taking the flights. In case of disaster or unexpected event, which stops the flight from operation, Thai Air Asia will take care of the passengers by using the appropriate standards, e.g. provision of accommodation, foods and shuttle service to the airport, to ensure that the passengers receive satisfactory and fair services.

However, Thai Air Asia emphasizes on the clear communication about its business operations format by clearly classifying the service fees in all of its distribution channels so that the consumers understand and select the services that best meet their demand. This will offer the opportunity to the consumers, who once cannot access the air travel due to restrictions on price, to have opportunities to try our services from our continuous special fare promotion campaigns.

### **2. Environmental Conservation**

Thai Air Asia is a Low Fares airline that contemplates on environmental conservation and reduces non-renewable resources consumption in all of its service systems. Apart from the effective cost management, we also intend to contribute to environmental conservation of the country and the world. This is the subject that every organization should jointly realize.

Starting from the selection of Airbus A320 for the whole aircraft fleet, which is the new aircraft model with more efficient use of energy and more environmentally friendly. Since Airbus launched the “Sharklet” project, it has introduced the new aircraft model equipped with large wing tip devices designed with the aerodynamics of the aircraft and new technology. Therefore, it reduces fuel burn and emissions by 3%. The new Airbus A320 fleets on duty in Air Asia crew are all equipped with these “Sharklet” devices.

In addition, Thai Air Asia has ordered Airbus A320neo (new engine option) under A320 aircraft family, which has been designed with the new engines and equipped with Sharklet at the wing tip. This can reduce the energy consumption by 14%. Airbus expects to deliver the first A320neo to the airline customers in 2015.

For Air Asia passenger service, resources are valuably used to the highest benefits e.g. normally the length of baggage identification tag is 14-21 inches, but we use the 10-inch tag in order to reduce the consumption of both paper and ink.

Similarly, AirAsia uses the smallest possible size for its boarding passes and prints them using a process devoid of additional treatment or decoration in the interest of conserving resources. Moreover, the airline was the first to introduce the electronic boarding pass or E-Boarding Pass to its domestic flights. By allowing passengers to present an electronic boarding pass on their mobile phone at the boarding gate, the airline was further able to reduce printing needs as well as check-in counter necessity. The innovation was highly effective in reducing resource requirements.

Thai Air Asia sets up policies and strategies encouraging the passengers to pre-book foods and services. Apart from allowing the passengers to select various services and foods by themselves, Thai Air Asia also allows their passengers to take their own foods and relevant services that meet their real demand on board. This avoids the large production and transportation of foods for the flights. Therefore, the non-consumed resources can be reduced, leading to the reduced weight of loading on the flight and reduction of energy consumption as well.

### **3. Community and Social Development**

Community and social development plays an importance role that Thai Air Asia emphasizes because the Company has its operations across all the regions of the country. We have opportunities to join and have access to various activities, which can be classified into the following categories:

#### **3.1 Thai Cultural Heritage Conservation**

##### *“Air Travel to Preserve Art” Program*

Thai Air Asia in collaboration with Ministry of Culture open a camp for folk art performance and a stage for Thai youth to exhibit their arts and cultural capabilities in “Air Travel to Preserve Art” Program. There are national artists from 3 regions of Thailand to convey the cultural beauties in 10 provinces in Thailand. “Air Travel to Preserve Art” Program is organized under the intention of encouraging young people across the country to have the opportunities to learn the master-level native cultures from the national artists with the stage to perform and disseminate the Thai cultures. The folk art performance camp is established under the guidance of the following 3 national artists from 3 regions:

Northeastern artist: Baanyen Raakkaen, national artist in folk singing

Northern artist: Buasorn Thanomboon, national artist in bamboo stump fiddling

Southern artist: Klao Rojanamethagul, national artist in shadow playing

The “Air Travel to Preserve Art” Program is organized to continue Air Asia support on the national artists’ passenger welfare in disseminating the national cultures. Such project sets up training camps covering 10 provinces e.g. Ubon Ratchathani, Udon Thani, Nakhon Phanom, Khon Kaen, Chiang Mai, Chiang Rai, Trang, Hat Yai, Surat Thani and Nakhon Si Thammarat to select interested youth to learn the folk arts directly from the national artists for 3 days and 2 nights. Over 500 young people will join the activities and enter the selection process to find the candidates for cultural youth ambassadors. Only one winner from each province will be entitled to travel with Thai Air Asia (FD) for a period of 1 year to exhibit the beauty of Thai performing arts on both national and international stages in the future.

### 3.2 Social Responsibility through Equal Opportunity Air Travel

#### *“AirAsia Ambassadors Universal Design” Project*

Thai Air Asia is mindful of offering equal opportunity air travel, first by providing facilities that are accessible to all types of passengers, by providing necessary assistance equipment and by training its staff in properly assisting special needs passengers. Furthermore, we take part in activities promoting Universal Design, designs that address the needs of all physical states ie. the elderly, the disabled, the ailing, pregnant women and young children. Our support has been carried out through the AirAsia Ambassadors Universal Design project, which focuses on promoting universal design to executives in both the state and public sectors, to local leaders, to average citizens and to Thai society as a whole. So far, campaigns have been held in Chiang Mai and Krabi, both strategic locations in Thailand's economic and tourism sectors.

### 3.3 Thai Educational Promotion and Support

#### *“Connecting Our Wisdoms” Project*

With the intention to be part of educational development for Thai youth, Thai AirAsia in collaboration with Book for Thailand Foundation have organized the activities to promote Thai education under “Connecting Our Wisdoms” Project. Such activities are expected to be part of the campaign in promoting the reading habits for Thai youth.

Book for Thailand Foundation is a non-profit organization with the intention to promote reading habits and use of libraries in Thailand. The foundation receives donated English text books from abroad 4-6 times in a year. Each year there are over 50,000 donated English books. Therefore, the foundation opens the opportunity for organizations or educational institutes nationwide who are in need to request for such books without any charges. However, with the limit on transportation expenses, the foundation has restrictions in delivering the books to different areas. From such causes, there are too many books to be stored in the limited space, which force the foundation to destroy over 1,000 books each year.

Thai Air Asia realizes the importance of such issues. With our resources available to fulfill the objectives, we cooperate with Book for Thailand Foundation in delivering English books to the organizations and education institutes in need in 10 provinces of Thailand. In 2014, Air Asia could deliver more than 50,000 books.

#### Special Flight to “Chang-Hua-Mun” Royal Initiative Project

Originated from the collaboration between Thai Air Asia and “Chang-Hua-Mun” Royal Initiative Project, we offer special flight to take young people from remote areas all over the country to visit and study “Chang-Hua-Mun” Royal Initiative Project in Hua Hin, Prachuab Khiri Khan Province in order to learn about His Majesty the King’s royal duties, which contribute very much to Thai development.

Since Thai Air Asia has been in the aviation business and close to the Thai society for a long time, we value the importance of learning about “Chang-Hua-Mun” under King Bhumibol’s Royal Initiative Project to serve as the sources of learning and disseminating the royal knowledge and duties, which lead to changes and development in the country. Realizing the potential of our air travel service, which will more or less contribute to the dissemination of King Bhumibol’s royal duties, we set up special Bangkok – Hua Hin flight to take the youth from remote educational institutes all over the country to visit the royal project. The purposes are to open the opportunities for the youth in remote areas in learning King Bhumibol’s duties on agricultural development. It can be considered as the transfer of knowledge not only to the participating youth and individuals, but also for them to convey this knowledge to their community by word of mouth. We selected 70 young people from 14 provinces in the country i.e. Chiang Mai, Chiang Rai, Phitsanulok, Ubon Ratchathani, Udon Thani, Nakhon Phanom, Khon Kaen, Trang, Krabi, Nakhon Si Thammarat, Surat Thani, Hat Yai, Phuket and Narathiwat to travel from Bangkok by Thai AirAsia special flight to Hua Hin during September 11-13, 2014.

#### 3.4 Sports Project

Sports are universal languages that everyone can have access easily. Thai AirAsia uses sport activities as the media in building relationship and developing society, e.g.

- Support football teams in Thai Premier League and Premier Division. Football has rapidly become the favorite sports for Thai people over the past few years, especially in the domestic match and football fan. Thai AirAsia focuses on supporting 22 football teams development for the regional and division teams so that football can be the medium to access most of the community. This also includes the international match, which will develop the potential of the athletes as well as Thai football teams.

- Support Thailand Volleyball Association by transporting Thai athletes, coaches and association staff in various matches at the full capacity without any fatigue from the trip. Support Youth Volleyball Tournament – AirAsia at the age of not more than 14 years, etc.

- Support trips to the match for national male football players, especially to snatch the championship from AFF Suzuki Cup 2014.

In addition, in promoting sports to access more variety groups, Thai AirAsia also supports other sports categories, especially at the youth level ready to grow as the significant roles and the inspiration creation in the future, e.g. support “Nong Taew” or Tassaporn Naklor to experience the female youth tennis match. The Company aims to use sports as the most sustainable creative media for further building up society and youth.

### **3.5 Support of Community Goods and Products with In-Flight Retail**

Thai AirAsia as the airline with the most extensive network of destinations across the regions of Thailand has wholeheartedly taken part in providing retail channels for locally produced goods and products so that they may be purchased by Thai and international travelers alike. Throughout 2014, the airline presented a variety of community made goods on its flights such as solar dried bananas coated in chocolate from Phitsanulok and Tom Yum flavored salted cashews from Phuket. We are fully ready to continue offering the products on our flights in 2015.

### **3.6 Aid in times of Natural Calamity**

Thai AirAsia recognizes the importance of assisting those affected by natural calamity and contributed by both assembling donations and providing funds for the rehabilitation and construction of learning facilities, cafeterias and roofing for the multipurpose building of Chiang Rai Panyanukul School, which was affected by the earthquake incident in Chiang Rai. The institution was the focus of the aid as it deemed assisting it would help continue the education of many students.

## **4. Innovation Possession and Dissemination**

Thai AirAsia is a truly innovative airline with the intention to facilitate the passengers and promote the airline’s operating efficiency in various forms e.g.

- Personal Check-In – Passengers do not need to check in or show their tickets in order to get the boarding pass at the airport check-in counter. They can choose to check-in via website, mobile phone or check-in kiosk, which are more convenient and faster.

- Advance food ordering and special service: Foods are not only sold right on board, but the airline has 20 variety menus for advance ordering so that passengers can choose the menus during ticket reservation process or before travelling, which is different from the service on board where only a few menus are available. In addition, the passengers can select special services in advance like baggage weight, seat selection, airport transfer to the city, etc. Moreover, we have always developed the new goods and food menus on board, including sales of local products like sun-dried banana from Phitsanulok; cashew nuts from Phuket, etc. This can help generate and distribute income to the society.

- Island Transfer and City Transfer: Air travelling no longer limits at our destination airports. Passengers can buy tickets thru from their places of origin to several islands or cities apart from airports. Air tickets as well as bus or ferry transfer tickets to their destination venues can be bought at the same time. Passengers can conveniently take transfers from airports to their nearby destinations.

- Fly Thru Service: Thai AirAsia opens the service line for passengers who want to connect their flights at Don Mueang Airport. Originally, passenger needs to buy point-to-point tickets and clears baggage at each point before checking in baggage for the connecting flight. With Fly Thru service, passenger can buy the two-flight tickets at the same time from his/her origin to the destination with the connecting flight at Don Mueang Airport. Upon check-in process, passenger can receive boarding passes of both flights and conveniently check through the baggage to claim at the destination airport. This makes the trip a bit easier for everyone.

Thai AirAsia hopes that with our clear goals and consistent social activities, they will drive the creativity and develop the better living society in every region of the country. The Company plans for consistent CSR activities in coupled with the best service rendering in response to the trust from Thai society and customers.

## **5. Responsibility toward Employees**

### Recruitment Policy

- Thai AirAsia continues to recruit more employees to support the growth and the expansion of the fleets to serve passengers and for the opening of new routes and the increase in frequencies of existing routes.

- The recruiting process is based on the equal opportunity and fair system of written examination and interviews by a panel of committees with experiences, knowledge, and skills in a transparent manner.

- Employees are given importance and taken care of as a family member. Employees are appropriately taken care of in terms of compensation and benefit, in the warm and sharing working atmosphere. Mentoring system is promoted in order to create happiness for employees at work.

### Benefit Management

Thai AirAsia provides the benefits for employees under the policy to manage benefits according to the needs and advantages of the employees. Benefits include:

- Annual health check-up
- Group life insurance
- Group health insurance
- Provident fund which Thai AirAsia contributes according to the period of membership at the maximum of 10%
- Thai AirAsia Savings Cooperative
- Free air ticket for employees' weddings
- Six free air tickets per year
- A discount of 90% for unlimited air ticket per year
- Financial aid in case of death of family members, namely parents, spouses, and children
- Financial aid for child birth
- Employee uniforms

### Remuneration and Salary Management

Thai AirAsia has established a policy to manage remuneration in a fair and appropriate manner suitable for knowledge and skills of the employees according to the appraisal system and the job positions. Salary survey is done based on the external market and leading companies for appropriate adjustment in order to remain competitive in the same industry and to attract new talents.

### Employee Relation Activities

Thai AirAsia regularly organizes activities to promote good relationship between employees and provide opportunity for employees to give opinions and participate in activities for unity and happiness in the organization.

- New Year Staff Party is organized for employees to meet and gather to create good relationship between employees and organization, under different themes.
- Sport Day is organized for employees to compete and cheer for their colleagues to create good relationship and to promote unity, sportsmanship, and forgiveness.
- Merit making activity and donation for people affected by disasters in the country and abroad
- Company anniversary is organized for the Management and employees to join in alms giving ceremony and lunch.

### Human Resources Development

As Thai AirAsia aims to continuously develop human resources with knowledge and expertise, and good quality of life according to the good corporate governance, Thai AirAsia has established a policy to develop human resources to their potential and to prepare them for the competition that will drive and sustainably strengthen the organization. The goal is to get the employees to develop themselves using their own potential and to create proactive working atmosphere in practicing their skills and developing their knowledge and expertise to create confidence in dealing with changes and challenges in business competition.

Thai AirAsia is providing trainings according to needs of each business unit as follows:

#### *Trainings for Engineers*

- Maintenance Familiarization
- AMOS Training
- Basic Digital Avionics
- Basic Gas Turbine
- Basic Airframe
- Basic Electronic



***Training for Flight Attendance***

- Duty Free / Handheld Device
- Thai Announcement
- Airline Business
- Civil Aviation Regulations
- Flight Attendant Procedure

***Training for Ground Staff***

- Customer Service Excellence
- Central Baggage Tracking Office
- Sky Speed
- Duties & Checks
- Disability Equality Training

***Training for Pilots***

- Meteorological
- Weight & Balance procedures
- Flight Operation, Report, Form, Merlot
- Pilot Transit Check
- Auto Flight
- Aircraft System Examination

***Training for Ramp***

- Ramp Ground Handling
- Aircraft Pushback
- Initial Airside Safety and ERP Plan

**Compliance to Rules and Regulations and Business Ethics**

Thai AirAsia determines to promote understanding among the employees in regard of principles and policies related to business ethics and the compliance to rules and regulations, along with the handling and reporting of suspicion of violation of laws, rules and regulations, and policies of Thai AirAsia that raises doubts in integrity of the employees or Thai AirAsia.

Thai AirAsia has provided related training, for example, training on Code of Conduct, training on prevention of corruption, and anti-corruption and anti-bribery training, which are compulsory for all employees at all levels. All new recruits shall participate in the following trainings and take required examination during their probation periods otherwise they will not pass the probation:

- Code of Conduct Training for all employees to understand the principle and standard that all employees shall adhere in order to eliminate doubt in integrity of the employees and Thai AirAsia

- Fraud Awareness Training for employees to learn to prevent and report any suspicious act of corruption for Thai AirAsia

- Anti-Corruption and Anti-Bribery Training for employees to understand problems and effects of corruption and bribery, and to learn to prevent and report any suspicious act of corruption or bribery through the Company's channels

#### Occupational Health and Safety and Work Environment

In 2014, Thai AirAsia has proceeded with the Safety Management System with the Safety Office, Pilot Safety Sub-Committee, Cabin Crew Safety Sub-Committee, and Occupational Health and Safety and Work Environment Committee working as coordinators for various projects and directly report to the Chief Executive Officer to ensure that the organization sustainably manages safety.

In the past year, Thai AirAsia has supported and promoted safety in many activities, for example:

- Safety Always 2014 program which aims at creating the organization-wide culture of safety.

- Behavior based safety program that creates positive approach by safety officer together with heads of units to observe employees' behavior, with praise for safety behavior and caution for risky behavior, and constant follow-up on risky behavior to achieve the sustainable "safety culture". At the start of the program (January 2014), the percentage of safety behavior was 98.66, and at the end of the program (December 2014), the percentage of safety behavior was 99.42.

- "Greeting, Praising, Warning" activities focus on every staff and superior to applaud anyone who perform their work with safety and warn one another when insecure operations are found. In addition, superior and staff should jointly find solutions to attain their safe operations so as to promote the culture of safety work.

- Safety Icon program which is the selection of employees with outstanding performance in terms of safety as an example for other employees

- Hazard reporter program that focuses on the participation of employees in reporting hazard or unsafe work environment, and improvement on the safety issues reported by employees, to proactively prevent accidents. In 2014, there was a total of 30 reports on hazards.

- Kiken Yoshi Training (KYT) to train each employee to analyze or predict hidden hazard in operation and to prevent the hazard correctly and appropriately

- Prepare and review the manual to deal with emergency in order to handle the Company's emergency accurately, timely, appropriately, contemporarily and in compliance with the latest ICAO requirements.

- Preparing and revising emergency plan for each of the 24 stations in the country and abroad to use as a guideline in handling the emergency appropriately at each station

- Emergency exercise for some areas with Don Muang Airport (DMK – EMEX 14) as a preparation in handling the emergency and the communication and coordination plan between emergency responsive team of Thai AirAsia Co., Ltd. and related agencies at Don Muang Airport

- Training for the Special Assistance Team as a preparation in handling the emergency for passengers and their relatives including physical and mental assistance

- Regular training for safety officer at the Management, operation, and team leader level

- Crew Resource Management training for pilots and cabin crew annually

- Safety Emergency Procedure training for pilots and cabin crew annually

- Fire extinguishing training for ground staff

- First aid training and medical evacuation training to reduce risk in incorrect medical evacuation

- Inspection of working environment, for example, noise inspection and light inspection to take precaution in working environment that may be health hazard for employees

## **6. Human Rights Policy**

Asia Aviation and Thai AirAsia operate with respect to and give importance to promote the protection of human rights in all aspects, and will not engage or take part in any act of violation of human rights. The Company and its subsidiaries shall adhere to the principles of human rights and all applicable laws and regulations.

Asia Aviation and Thai AirAsia impartially respect the rights of all employees and stakeholders without prejudice against origin, race, religion, gender, ethnicity, age, disability, or any other status entitled for rights, by adopting the principle of human rights.

Asia Aviation and Thai AirAsia regularly study and follow changes and modifications in applicable regulations and laws related to human rights in order to effectively enhance the Company's policy on human rights.

Asia Aviation and Thai AirAsia provide knowledge and understanding for the Board of Directors, Management, and all employees in regard of human rights in terms of policy and operating practice, and urge all employees and stakeholders to cooperate in examination and reporting any violation of human rights through the Company's channel.

### **Treatment for Employees**

- Recruitment shall be done on the basis of fairness and equality. Everyone shall receive an equal opportunity in applying and examination for employment under the applicable legal framework and related regulation, without any discrimination based on gender or disability that does not prevent the person from performing his or her duty.

- Employees shall be treated with fairness and honesty. All employees shall be employed under regulations and conditions that comply with laws, regulations, and customary practices. Child labor, forced labor, or breach of labor standard shall not be practiced.

- Any violation of human rights shall be eliminated. Discrimination shall be prohibited and measures will be put in place to ensure equal opportunity for all employees.

- Operating policy shall be put in place to guarantee personal safety for all employees, along with their entitled rights for a clean, safe, and healthy workplace.

- Physical punishment, mental or physical abuse, or verbal harassment shall not be practiced or accepted.

#### Treatment for Other Stakeholders

- The Company shall respect the rights in relation to laws, culture and traditions, for all the stakeholders including customers, business partners, subcontractors, and communities around the workplaces. All stakeholders shall be treated equally and encouraged to follow the international standards for human rights.

### **7. Intellectual Property Right Policy and Practice**

Asia Aviation and Thai AirAsia operate with respect to, and encourage the human resources to perform their duties, in compliance with laws and regulations regarding intellectual property right, including trademarks, patents, copyrights, trade secrets, and other intellectual properties specified by laws, for example, the use of copyrighted computer software that are inspected and installed by the Company's information technology department only, the encouragement for employees to examine their work or information that it does not violate any intellectual property right.

### **8. Anti-Corruption Policy**

Asia Aviation and Thai Air Asia operate businesses on the basis of transparency, fairness and integrity by identifying the organization structure with clear segregation of responsibilities, working process, chain of command in each organization so as to balance the appropriately intra-related power. Practical guidelines for directors, management, staff and related parties are determined so as to protect and prevent every form of fraud and corruption. This is the joint obligations to perform duties, make decisions and conduct businesses that may expose to certain fraud and corruption under good investigation and care. Details are as follows:

#### Definition

“Corruption” means any act of bribery by engaging in the act of directly or indirectly offering, promising, soliciting, asking, or accepting money, valuable items, or any inappropriate advantages with government officials, state or public agencies, or any concerned agents so that the said agents perform or refrain from performing their duties rightfully in order to gain or achieve unethical advantages for business. Exceptions shall be made should they be permitted by laws, rules, regulations, announcements, customs, local traditions, or common business practices

## Overall Policy

All Directors, members of Management, employees of Asia Aviation and Thai AirAsia are prohibited from implementing or accepting any act of direct or indirect corruption. Anti-Corruption policy audit or examination shall be done regularly along with revision of roles and duties of all concerned parties and the guidelines for practice, in order to remain relevant to changes in businesses, rules, regulations, and legal requirements.

## Roles and Responsibilities

1. Board of Directors has duties and responsibilities in setting policies and overseeing the promotion of the effective anti-corruption system in order to ensure that its members of Management are aware and give importance to counter bribery and corruption.

2. Audit Committee has duties and responsibilities in auditing the financial reporting system, internal control system, and risk assessment, to ensure that the systems hold least risk in corruption that may affect the Company's financial position and operations, and that the systems are appropriate, trustworthy, and in accordance with international standards. The Committee shall also be notified of suspicious engagement in corruption or bribery involving internal parties, and examines cases and proposes punishments alongside the Board of Directors.

3. Chief Executive Officer and members of Management have duties and responsibilities in setting up the system and promoting and supporting anti-corruption policy in order to disseminate to employees and all associated parties to adopt for operation. They also shall review the appropriateness of the system and measures in correspond with the changes in business, and rules, regulations and legal requirements.

4. Internal Control Department has its duty to audit that the performance of all departments in the Company is accurate and line with the regulations. The Department is responsible for the audit report and the risk evaluation in relation to corruption from internal control examination, for the Audit Committee In addition, the Department is to be responsible for any tasks assigned by the Audit Committee concerning corruption investigation.

## Operating Guidelines

1. Directors, Management, and employees at all levels shall uphold the Anti-Corruption and business ethics policy by not directly or indirectly engaging in any act of corruption.

2. Any employee who discovers any act of corruption related to the Company or its subsidiary must report it to his/her supervisor or a responsible person. Employees shall provide cooperation in investigation. Should employees have any questions or doubts, they can consult their supervisors or a responsible person whose duty is to monitor business ethics compliance through established channels.

3. Asia Aviation and Thai AirAsia shall provide justice and shall protect the employees or the persons reporting the violations by adopting measures to protect whistleblowers or those who cooperate in reporting the corruption as specified by the Whistleblowing Policy.

4. The violator of the Anti-Corruption policy is deemed as breaching the business ethics, and shall be considered for disciplinary punishment as regulated, and may be punished by laws should the violation is unlawful.

5. Asia Aviation and Thai AirAsia communicate and create understanding and awareness for all relevant parties who perform or operate any significant issues that may affect the Company or its subsidiaries in relevance to the Anti-Corruption policy.

6. Any activity in concern with the Anti-Corruption policy shall follow the guidelines on code of conduct, good corporate governance principles, and practice guideline towards stakeholders, relevant rules, regulations, and operating guidelines, and other guidelines that Asia Aviation and Thai AirAsia may issue in the future. However, for operation clarity in issues that involve high corruption risk, Directors, Management, all employees at all levels shall take extra attention when handle the following issues:

#### Financial or Other Benefits

- Directors, Management, and employees shall not personally accept financial or other benefits from customers, business counterparts, or any persons for working in the name of Asia Aviation and Thai AirAsia

- Directors, Management, and employees shall not lend or borrow, or collect contribution from customers or business counterparts of Asia Aviation and Thai AirAsia, except loans from banks or financial institutions as customers of said banks or financial institutions.

#### Gift and Hospitality

- Directors, Management, and employees shall avoid accepting gift, in cash or in kind, from customers or business counterparts of Asia Aviation and Thai AirAsia, except in the customary traditions and the value does not exceed THB 5,000. If the value of the gift exceeds THB 5,000, the employee shall declare the gift to his/her supervisor for further appropriate action.

- Directors, Management, and employees may accept business hospitality if it is beneficial for Asia Aviation and Thai AirAsia. However, hospitality shall be avoided if it is in the manner not appropriate for business relationship from persons relevant to Asia Aviation and Thai AirAsia or future business counterparts.

#### Cash or Other Rewards

Asia Aviation and Thai AirAsia do not have any policy to offer cash, bribery, inducement, or any special rewards in any forms to customers, business counterparts, other external agents, or any individuals in order to gain business advantages, except customary business hospitality, business discount, and the Company's sales promotion.

#### Charitable Contribution or Sponsorship

Charitable contribution or sponsorship shall be done in a lawful and transparent manner and follows procedures specified by Asia Aviation and Thai AirAsia. Examination and approval of transaction shall be done by responsible persons of Asia Aviation and Thai AirAsia and follow up shall be done in order to ensure the contribution or sponsorship is used in accordance to its objectives and not as a subterfuge for bribery.

### Risk Assessment for Corruption

The Company has set up a team consisting of Internal Audit Manager, Compliance and Accounting Manager to assess its exposure to fraud and corruption. Their responsibilities are to determine the procedures for risk management on fraud and corruption by jointly assess, analyze, monitor, control and update risk status on the overall fraud and corruption to remain at the acceptable level. The team will investigate the suspected cases that are vulnerable to fraud and prepare the annual report for presentation to the Audit Committee.

Risk assessment tools are used to assess exposures to fraud and corruption by adjusting The Association of Certified Fraud Examiners' guidelines in evaluating the internal control environment and various kinds of frauds that may incur in the Company. In 2014, the team analyzed and assessed business risks of various departments so as to identify their exposures to fraud and corruption e.g. manipulation; forge; change of record or document or financial report; misuse of business assets; misappropriation; conflict of interest; abuse of internal information; corruption in various forms; etc. Last year, exposures to fraud and corruption remain in the acceptable level. Information from the assessment will be used as guidelines to increase the Company's internal audit efficiency and effectiveness and to find preventive measures on fraud operations by setting the good internal control system.

### Dissemination of Anti-Corruption Policy

For every individual in the organization to be aware of the Anti-Corruption policy, Asia Aviation and Thai AirAsia will perform the following actions:

1. Communicate the Anti-Corruption policy through cooperate communication channel, namely the Company's website, Annual Registration Statement (56-1), and Annual Report (56-2).
2. Provide training on Anti-Corruption policy for new recruits.
3. Review Anti-Corruption policy annually.