



Corporate Social Responsibility

Corporate Social Responsibility (CSR)

Thai AirAsia Co. Ltd., majority owned by Asia Aviation Plc., is a low fare airline that has for years stood by the Thai people. On top of offering “Truly Low Fares, Trusted Quality”, the airline also gives great importance to its Corporate Social Responsibility (CSR) and focuses on promoting sustainable tourism. In 2016, Thai AirAsia continued its social programs by having staff across all of its departments take part, allowing them to apply their own experiences to social development. Thai AirAsia’s social activities covered areas as follows:

1. Consumer Responsibility (Customers)

Thai AirAsia adheres to the motto “Truly Low Fares, Trusted Quality”, which means that on top of offering cost effective flights it also focuses on providing quality service that is responsive to consumer needs. The airline’s service is rooted in being on-time, mindfulness of safety and offering an expansive network of destinations.

As of the end of 2016, Thai AirAsia has a fleet of 51 aircraft all manufactured at the Airbus facility in Toulouse, France, ensuring their international standard. The year was the first to see the airline acquired Airbus A320 neo airplanes, which are able to cut fuel consumption by up to 15 percent per year per aircraft while also reducing cabin noise for a more comfortable flight.

In the aspect of safety, Thai AirAsia is continually enriching its entire staff, from pilots and cabin crew to ground operations, with aircraft maintenance knowledge while also performing regular emergency drills and maintaining a trustworthy safety inspection system to ensure conformity to the airline industry’s strict standards. The airline is open to regular safety checks by both domestic and international agencies.

Thai AirAsia’s service prioritises the consumer and seeks to present low cost services that adhere to a verifiable, international standard. The airline informs necessary cancellations to customers via a system that spans Email, SMS and telephone and makes sure that any customers who are not notified will be told about their flight’s cancellation at the check-in counter. In times of disasters or unexpected events, Thai AirAsia exercises standard passenger assistance practices by providing accommodations, food and alternative transport services to fulfill its duty to travelers.

Thai AirAsia also implements clear communications of its business, taking care to ensure its customers know all of its product prices no matter their channel of purchase so that they may choose their services to fit their desire. The pay per service system also allows more consumers to access air travel by removing the obstacle of prohibitive pricing while regular sales promotions extend the access even further.

2. Environmental Care

Thai AirAsia is a low-fares airline that cares about the environment and is always seeking to reduce its need for nonrenewable resources throughout its systems and services. On top of efficiently managing its capital, Thai AirAsia is also determined to be a crucial part of protecting Thailand’s and the world’s environment, believing it to be the responsibility of all organisations.

Thai AirAsia's environmental care starts at its fleet, which is populated by Airbus A320 aircraft, cutting edge aircraft that are energy efficient and environmentally friendly. Going further, the airline chose "Sharklet" wing tipped planes that use the latest technology to cut fuel consumption and is gradually upgrading its fleet with Airbus A320 neo (new engine option) airplanes, which with their new engine designs are able to use 15 percent less fuel per year. Thai AirAsia ended 2016 with 2 new Airbus A320 neo planes and is working to acquire even more, seeing them as a worthwhile investment for both its customers and the environment.

In its services, Thai AirAsia also is mindful of its resource consumption. The airline's checked baggage tags forego the usual length of 14-21 inches and are only 10 inches long to save on paper and ink requirements. The airline's boarding passes are printed on small, non-processed paper and Thai AirAsia was the first airline to introduced the electronic boarding pass, allowing passengers to present an image of their boarding pass from their mobile phone at the boarding gate as to do away with the need for a printout. Most recently, the airline introduced self baggage drop facility at Don Mueang Airport and Chiang Mai Airport to further cut resource needs.

For flights, it is Thai AirAsia's policy to promote pre-book meals and services so that it may better manage meal production and preparation of other wasteful services. Reduced weight from the improved management also results in more efficient fuel consumption on the airline's flights.

3. Community and Social Development

Thai AirAsia believes in being a part of society and its communities, and as an organization that is present across the country, has many opportunities to learn about what is needed to support and develop such communities. As such, the airline engages in a variety of programs and activities for sustainable social responsibility, divided into the following types:

Community-Based Tourism Promotion

"English On Air"

Thai AirAsia responded to the Thai government's Civil-State program on community development by organising its own program for sustainable community enhancement.

Acknowledging both state policy and the trend toward community-based tourism among Thai and foreign tourists, Thai AirAsia organised "English on Air" project to develop the tourism capabilities of local communities. In its third annual incarnation in 2016, the program focused on two key efforts; disseminating knowledge on the English language by working with instructors from Chulalongkorn University and having AirAsia staff relay that knowledge to community residents; and development of community tourism standards by improving home stay programs through collaboration with social enterprise Local Alike, and academic institutions such as the International College for Sustainability Studies, Srinakharinwirot University and Rajaphat Chiang Rai University.

Communities selected by Thai AirAsia and its partners for improvement were chosen based on their tourism potential, factoring in their natural resources, leadership and local networks. The program was held in 2 areas in 2016, at Baan Lo Yo local village in Chiang Rai and Baan Phromlok in Nakhon Si Thammarat.

Thai Heritage Preservation

“AirAsia Youth Cultural Ambassadors”

Thai AirAsia joined with the Ministry of Culture to sponsor travel for all of the country’s National Artists for a fourth year in a row. The sponsorship is to allow the National Artists to continue their work preserving Thai history and culture. Similarly, the airline joined with Thairath Foundation to select students from Thairath Vithaya Schools with cultural skills for its “AirAsia Youth Cultural Ambassadors” program. Under the activity, the youth ambassadors traveled both domestically and internationally throughout 2016 to showcase their talents. The students took part in Thai Festival in Singapore held at the Royal Thai Embassy in Singapore from May 4-7, 2016, at Thai Festival in Ho Chi Minh held at the Royal Thai Embassy in Vietnam from August 1-6, 2016 and at the launch of the Don Mueang-Vientiane event in Vientiane of Lao PDR on June 30, and July 1, 2016.

Human Rights and Equality Enhancement

“AirAsia Friendly Design”

Based on its belief that all people should have equal opportunity for travel, Thai AirAsia joined with Friendly Design Thailand, a group formed to promote equality in Thai society, to work toward facilitating travel for the elderly, young, disabled, pregnant and impaired, utilizing the “Friendly Design” concept. The “AirAsia Friendly Design” program focuses on improving Thai AirAsia’s services to allow for travel by all groups while also generating awareness in both the public and private sectors on the need to make tourist sites accessible to all. In 2016, the program saw Thai AirAsia travelling to Chiang Mai, Lamphun and Nakhon Phanom, all strategic locations of Thailand’s tourism landscape.

Travel Sponsorship for Remote Youths

“Taking to the Sky”

Giving importance to education, Thai AirAsia has contributed to ensuring that young students are able to travel and acquire new experiences and skills that will provide them a bright future. In 2016, the airline’s “Taking to the Sky” program included “Taking to the Sky: U-Tapao”, which saw 50 students from remote areas of Udon Thani and Nong Khai flown to the Royal Thai Marine Corps in Sattahip to board the HTMS Chakri Naruebet on January 9-10, and “Taking to the Sky In the Footsteps of the Father: With Alternative Energy,” a special charter Don Mueang-Hat Yai flight for Mathayom 4-5 students and teachers of Rajaprachanukroh Schools in Nan, Phitsanulok and Sakon Nakhon to visit biodiesel production center at the Specialised R&D Center for Alternative Energy from Palm Oil and Oil Crops at the Faculty of Engineering, Prince of Songkhla University from November, 18-20.

GREEN24

With concern for Thailand's environmental well-being, especially on the impact of tourism generated waste, Thai AirAsia worked with local government offices under the GREEN24 program, a project with the objective of promoting awareness of environmental preservation and to forge a network between the state, private sector and educational institutes to protect the environment of tourism sites. In 2016, two instances of GREEN24 were organised. GREEN24 in Rayong, taking place on January 29, 2016 on Mae Rumpueng Beach in Rayong, included a garbage collection activity held in cooperation with local offices and a combined 2,000 local residents. GREEN24 in Pattaya on May 7, 2016, took place at Pattaya Beach in Pattaya and saw members of Pattaya Municipal Authority and locals collecting waste both on the beach and in off the coast of Koh Sak.

4. Innovations

Thai AirAsia is an airline of innovation, determined to continually improve its customer experience and enhance its operational efficiency with innovations such as:

- Self Check-In allows passengers to forego the standard check-in counter at the airport by checking in to their flight via the airline's website, their mobile phone or at check-in kiosks, providing a faster and more convenient experience.

- Self Baggage-Drop allows passengers to print their own baggage tags straight from the check-in kiosk and to weight their baggage for entering into the airport's security procedure. The service was kicked off in 2016 at Don Mueang Airport and Chiang Mai Airport and is slated to expand to more airports in the future.

- Meal and Ancillary Service Pre-Booking allows passengers to choose over 20 more menu items from meals available in-flight. Passengers can pre-book a meal right as they book their ticket and have a greater selection of meals from the usual few. Moreover, passengers can pre-book services such as added baggage allowance, seat selection and city transfer. New products and meals are constantly being added for pre-booking with items such as Solar Bananas from Phitsanulok and Cashew Nuts from Phuket not only adding more variety but also supporting local economies.

- Island Transfer - City Transfer service extends the airline's transport service beyond destination airports by allowing passengers to purchase shuttle tickets to islands and cities while they are booking their flight tickets and then being able to board their shuttle straight from the airport.

- Thai AirAsia's Fly Thru service is for passengers connecting through Don Mueang Airport and allows them to forego purchasing separate tickets as well as to only have to check-in and have their baggage checked once across their entire journey. With Fly-Thru, passengers only have to select their origin and terminal destination with the connection through Don Mueang Airport automatically added. Only single check-in and baggage drop is needed, making the journey much more convenient.

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
- Free air tickets (16 points 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
- Financial aid for medical treatment of four diseases including cancer, heart disease, stroke and chronic renal failure.

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 exposes its employees to comment on the activities and engage in creating various in-house activities of employees to promote good interpersonal relationships between employee and employee, employee and organisation, as well as employees and community, bringing forth the unity of the group and leading to happiness at work in the organisation as follows:

- *Social activities* employees as volunteer to carry out activities, e.g. volunteer to help the flood-affected areas, receipt of donations; money and objects to help those employees' families who have been affected by flooding disaster both inside and outside the country, volunteering in the community such as teaching children, giving help to dogs' shelter etc.

- *Corporate anniversary* the management and staffs make merits on the anniversary by individual religious ritual, and having a luncheon for employees across the country.

- *Activities to promote employee health* employees are grouped in the favor of their interest in physical exercise, sponsored by Thai AirAsia for various activities, including running for health, yoga practice, badminton etc.

- *Allstars Regional Futsal Tournament 2016* employees are able to commitment toward sports contest and cheering team contest to develop sportsmanship, learn leadership and followership, as well as forgiveness among fellow employees.

- *To show appreciation to the grace and generosity of His Majesty the late King Bhumibol Adulyadej*, AirAsia Allstars volunteered to collect garbage at Sanam Luang area from 8.00 – 9.30 p.m., October 26-28, 2016.

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 organisation. 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 Safety, health and environment in the workplace

In 2016, Thai AirAsia has pursued on safety initiatives under the Safety Management System with the cooperative coordination with the Safety Department, Subcommittees on Pilots Safety, Subcommittees on Crews Safety, and Occupational Safety, Health and Environment in Workplace Committee for projects, and reported directly to the CEO, to focus the management for sustainable safety of the organisation.

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

- Safety Always 2016 program which aims at creating the organisation-wide culture of safety.

- Behavior based safety activity 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 2016), the percentage of safety behavior was 97.27, and at the end of the program (December 2016), the percentage of safety behavior was 100.

- "Greeting, Praising, Warning" activity 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 activity which is the selection of employees with outstanding performance in terms of safety as an example for other employees.

- Hazard reporter activity 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 2016, there was a total of 48 reports on hazards.

- Kiken Yoshi Training (KYT) to train each employee to analyse 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.

- Prepare and review safety management manual in order to precede and manage the Company's safety accurately, appropriately, contemporarily and in compliance with the latest ICAO requirements.
- Preparing and revising emergency plan for each stations in the country and abroad to use as a guideline in handling the emergency appropriately at each station.
- Full Emergency exercise with Don Mueang Airport (DMK - EMEX 16) as a preparation in handling the emergency for bomb threat and the communication and coordination plan between emergency responsive team of Thai AirAsia and related agencies at Don Mueang 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, team leader level and Occupational Safety, Health and Environment in Workplace Committee.
- Crew Resource Management training for pilots and cabin crew annually.
- Safety Emergency Procedure training for pilots and cabin crew annually.
- Emergency Response Plan for pilots and cabin crew annually.
- Safety Management System for all employees.
- 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 pre-caution in working environment that may be health hazard for employees.

However, the aforesaid activities on occupational safety, health and environment in workplace proactively to prevent accidents and incidents resulted in the reduced ground accidents and incidences in 2016 to 0.45 per 1,000 outbound flights, decreased from 0.47 and 0.49 in 2015 and 2014 respectively.

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 Whistle Blower. For the year 2016 the Company had not received any complaint regard to violation of human rights.

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 AirAsia operate businesses on the basis of transparency, fairness and integrity by identifying the organisation structure with clear segregation of responsibilities, working process, chain of command in each organisation 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 stakeholders 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 authorised 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, analyse, 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 2016, the team analysed 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 organisation 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.