

**ASIA AVIATION**  
Public Company Limited



*Thai Air Asia*

# Code of Conduct

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## 1. Introduction

In the operation of the Company whether as Directors or Management or employees of the Company, we will meet and deal with the question or concerns related to ethics or law at all times such as what the Company or what we're working on is a reasonable action or if it is contradict to the ethics laws and regulations. In practice, there is no fixed answer that can be applied in all situations.

To ensure that the operation of the Company as well as the performance of Directors, Management and employees are in compliance with law and based on ethic, the Company therefore has established the code of conduct for everyone to use as a guide or framework for action or to answer questions of that individual whether or not what they are doing is correct and appropriate. The concept of doing business of the Company are as follows;

## 2. Ethics

### 2.1 Responsibility to Shareholders

The Company acts as a representative to its shareholders in carrying out the business in order to maximise shareholder satisfaction with regards to sustainable growth of the Company's value in the long term future, and the disclosure of transparent and reliable information to its shareholders.

### 2.2 Responsibility to Customers

Customer satisfaction and consumer confidence are very important to the Company, which aims to provide high quality goods and services at reasonable prices, and maintain a good relationship with its customers. The Company has thus determined the following guidelines:

- The Company shall provide high quality products and services, and continuously strive to improve these. The Company shall also provide complete and accurate disclosure of all information pertaining to its products and services without any misrepresentation.
- Directors, Management, and staff members at all levels shall not disclose any information on customers without prior permission from those customers or authorised personnel of the relevant company in the Group. The only exception to this is information requested by law enforcement officers acting in accordance with the law.

### 2.3 Responsibility to Business Partners and Creditors

The Company's dealings with any business partner shall be conducted in a manner that upholds its reputation and all relevant laws. All Company personnel must be aware of the common interests of the Company's business partners and treat them equitably. The selection of business partners shall be fair. The Company shall also consider its business partners to be the key factor in jointly creating a value chain for customers.

The Company shall keep all its promises and perform in accordance with the terms and conditions agreed with its creditors for the repayment of principal and interest, as well as safeguarding all guaranteed assets

#### 2.4 Responsibility to Employees and Equal Opportunity

Employees are the most valuable resource and the key factor for the success of the Company. The Company therefore aims to develop a culture and a good working atmosphere as well as promoting teamwork, treat employees with courtesy and respect for their individuality. The Company promotes equal opportunities and employee diversity by opening chances for everyone to have equal rights in employment and recruitment. Appointment and transfer of employees will be considered on the basis of merit and the use of human resources for the greatest benefit of the Company without gender discrimination including people with physical disabilities who are considered to be able to work within the scope of the laws.

The Company respects the human rights of employees, treating the employees with fairness and honesty. The Company is always responsible for maintaining a safe working environment for the life and property of its employees, and strictly adheres to the labor law. There is no employment of illegal child labor, forced labor, or the use of labor that exceeds the employment standard.

The Company respects the privacy of its employees by not disclosing personal information such as salary, medical history, family background to outsiders or unrelated people unless it is information that must be disclosed to relevant third parties according to the provisions of the law.

#### 2.5 Business Competition

The Company has a policy of free and fair competition, and will not acquire information about its competitors by any illegal or unethical methods.

#### 2.6 Responsibility to Society and Environment

The Company, as a Thai company, realises and has a sense of gratitude towards the country and being part of society for which it has to take responsibility, to support local activities where the Company operates. The Company has a policy to produce products and provide any service that is environmentally friendly and complies with environmental laws. The Company promotes activities to preserve nature and energy and has a policy to select and promote the use of environmentally friendly products.

#### 2.7 Safety, Occupational Health and Working Environment

The Company is aware and always realises that the business operations of the Company must be attentive and responsible for the personnel of the Company to be safe at work, have good hygiene and remain in a suitable working environment at all times, including cultural policy for fair treatment.

#### Practical Guidelines

1. The Company places importance on the management of safety, occupational health and working environment of its personnel by preparing requirements and standards for work, appointing security officers at different levels as well as the Safety and Occupational Health and Working Environment Committee. It has also established a specific unit to manage the safety and occupational health and working environment based on the goal that the company's minimum standards must comply with the provisions of the law including work standards as well as safety and occupational health and the working environment of the parties to a contract and contractors of the company.

2. The Company collects statistical data on work safety including setting a target of the accident rate and incidents to map out plans for the prevention of reoccurrence or reduce the severity by implementing protection measures according to the level of the already-set goals.
3. The Company provides public relations to disseminate information to create understanding and aware of the personnel of the Company about specification and occupational health, safety standards and working environment as well as correct practical guidelines including taking lessons learned in safety as a precaution and preventing recurrence.
4. The Company has established a control system to supervise and prevent dangers or accidents that may occur from work and provide personal protective equipment for employees as well as improving, repairing equipment or buildings of the Company to be in a safe condition and suitable for work to reduce the risk or the likelihood of occurring incidents or working accidents. It also collects statistical data of the incidents or working accidents for analysis to find the cause and take preventive measures in the future.
5. The Company has implemented a cultural policy of fair practice to encourage all employees to be able to report accidents, incidents and other events which may be harmful to or affect safety without restraint as well as obstruction, and there shall be no adverse effect on such reporting. In addition, the Company has a policy not to punish the operators if such performance or decision brings about errors caused by the use of a defective experience, inexperience or lack of adequate training. However, the Company will not ignore or neglect punishment for actions arising from non-compliance with regulations, deliberate breach of regulations and deliberate intention of causing damage.

## 2.8 Safeguarding Technological Security

In order to protect company's information resources and users from potential threats to privacy, productivity, reputation and intellectual property rights and maintain the safety of information of customers, workers and employees, the Company will take the following actions:

- Preparing the efficient IT equipment including software and services in accordance with business plans and objectives.
- Being worth investment
- Able to protect the confidentiality, accuracy and availability of customers, employees, financial information and business information which is sensitive to improper disclosure.
- Avoiding third parties for illegal or malicious acts on AirAsia computers, and network resources by ensuring that these resources are not misused or wasted.
- Avoiding fraud and service interruptions that can impair the Company's performance.

## 2.9 Conflicts of Interest

In working for the Company, there may be situations where personal interests of directors, executives or employees may conflict with the interests of the Company. Conflicts of interest can arise in many forms, therefore, the Company has set guidelines that everyone should observe as follows:

#### 2.9.1 Receiving money or other remuneration

Directors, Management, and employees at all levels shall not personally receive any money or benefits from the Company's customers or business partners, or from any other persons when working on behalf of the Company.

Directors, Management, and employees at all levels shall not borrow or raise funds from, or lend money to, the Company's customers or business partners, unless they are independent customers of banks or financial institutions which are connected to the Company.

#### 2.9.2 Engaging in other business outside the Company

Directors, Management, and employees at all levels shall not engage in any other business that affects their performance, duties and working hours in the Company. Every member of the Company is prohibited from participating in any other business which is in competition with the companies in the Group, regardless of whether Directors, Management, and employees directly or indirectly benefit from that business.

#### 2.9.3 Engaging in business with the companies in the Group

Doing any business with the Company either on behalf of one's own family or on behalf of any juristic person in which Directors, Management, and employees have stakes, conflict of interest must be disclosed to the company before entering into the transaction.

Directors, Management, and employees with vested interests are prohibited from approving any agreement to enter into transaction, or perform any action on behalf of the Company. It is the duty of the one who conducts transaction on behalf of the Company to examine the relationships of business partners whether they involve Directors, Management, and employees before conducting transactions in order to prevent any conflicts of interest. However, the definition of relationship shall be in accordance with the criteria on disclosure of information and actions of listed companies on connected transactions by the Board of Governors of the Stock Exchange of Thailand.

#### 2.9.4 Outside directorships

The Company has no policy to nominate members of its management team as board members of a company outside the Group. In the event that a member of the management team is invited to serve on the board of a company outside the Group, approval is required, unless the invitation is for a non-profit organisation and does not infringe any related laws or regulations governing the Company's business. Furthermore, the person involved shall not use his or her position in the Company to promote the business of the outside company.

#### 2.9.5 Receiving gifts and Hospitality

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

Directors, Management, and employees shall not accept business hospitality from customers, business partners or any persons who may be influential to the business decision.

#### 2.9.6 Accepting invitations to seminars, business events and company visits

Every Directors, Management, and employees can accept invitations to seminars, business events and company visits where the traveling expenses are sponsored by suppliers, customers, creditors or any

other person they are dealing with on behalf of the Company. However, the aforementioned activities must benefit the Company's business and be authorised by the relevant supervisor. No Directors, Management, and employees may accept spending money or other benefits provided for these events.

#### 2.10 Cash, incentives or other special benefits

The Company has no policy to give money, incentives or other special benefits to its suppliers, customers, creditors or any other person in order to influence, or in exchange for, business deals, with the exception of providing normal business entertainment, trade discounts or promotional campaigns.

#### 2.11 Participation in Political Activities

The Company has a policy of political neutrality and does not make donations to any political party. The Company also avoids activities that may favor any particular political party. Directors, Management, and employees at all levels are able to participate in political activities under the terms of the Constitution of Thailand. However, no member of the Company shall claim the status of being a company employee or use any of the Company's property or equipment for the purpose of political activities.

Any Directors, Management, and employees who accepts a politically related position or stands for any local or national elections in any constituency in Thailand must resign from the Company forthwith.

#### 2.12 Safeguarding the Company's Assets

Directors, Management, and employees at all levels are responsible for looking after, maintaining and maximising the use of property and fixed assets belonging to the companies in the Group, and shall not use any of these for their own or others' benefit. The Company has a policy to prepare all business documents and financial reports, and record all accounting and financial data on an honest and timely basis, in compliance with generally accepted accounting standards and related laws.

No Directors, Management, and employees may disclose material inside information to any party that has no right to access that information. It is the duty of every member of the Company to secure and protect confidential information, data and document.

#### 2.13 Use of Inside Information and Trading of the Group's Securities

Directors, Management, and employees at all levels shall not use any significant inside information about the Company or any company in the Group which has not been disclosed to the public, for their own or others' benefit.

Directors, Management, and employees at all levels shall have the right and freedom to invest and trade in the securities of the companies in the Group. However, in order to prevent conflicts of interest, all Directors, Management, and employees should avoid or suspend trading for a period of one month prior to the disclosure of all financial statements to the public.

#### 2.14 Distribution of Information and Interviews with the Press or Public

The distribution of information about the Company shall be conducted in a factual, accurate and careful way.

A Company employee who is not authorized or assigned to speak to the press shall not give any interview with the media or the general public, nor disclose any information about the companies in the Group which may adversely affect their reputation or business operations.

#### 2.15 Related Transactions within the Group

In the case of related transactions amongst the companies within the Group, the Company shall conform to the rules and procedures of granting approval by upholding its best interests as if the Company were dealing with outside parties on an arm's length basis.

#### 2.16 Compliance with Laws, Rules and Regulations

Directors, Management, and employees at all levels shall abide by the law and all related rules and regulations pertaining to their position. No member of the Company shall commit or support illegal acts

### 3. Supervision and Administration

3.1 Every Director, Management, and employees shall strictly adhere to the Company's code of conduct in the performance of his or her duties. If any unethical conduct is discovered, the Company will punish the wrongdoer in a manner appropriate to the case and commensurate with the degree of the breach. The following disciplinary action can be taken:

- Verbal warning
- Written warning
- Suspension without pay not exceeding seven days
- Termination

3.2 It is the duty of every Director, Management, and employees to read the code of conduct, including all amendments that are made, and sign an agreement to abide by its conditions.

3.3 All Managements and supervisors should behave as role models for the staff, promote the code of conduct among their subordinates and encourage all of them to comply with its conditions.

3.4 Any waivers to the code of conduct for Senior Managements and Directors must be approved by the Board.

## Procedures for Considering and Reporting Non-Compliance with Code of Conduct

Directors, Management, and employees have a duty to comply with the principles and guidelines set forth in the business code of conduct which, if not complying with the established principles and guidelines, may result in disciplinary action, or laws according to each case and may be subject to punishment as per the specified criteria. In addition, such non-compliance and encouraging others to commit unethical acts, ignoring when witnessing non-compliance with the code of conduct, obstruction of the fact-finding process and unfair acts against those giving facts are considered as non-compliance with the business code of conduct as well. Therefore, Directors, Management, and employees have a duty to report performance that may violates the code of conduct. In case of detecting or being pressured/forced to do anything that is against the code of conduct, they shall report to the supervisors or Senior Managements or the Internal Auditing Department or the People Department or the Ethics Committee or the Audit Committee, as the case may be.

The Company has a system of complaint reporting, or reporting clues on illegal acts or violation of the Company's business code of conduct which is in accordance with international principles. In case someone who knows or detects the action or being a person who suffers damage caused by a violation of the code of conduct is able to report complaints or inform clues about such actions directly to the Independent Directors or Audit Committee at E-mail: [taa\\_auditcommittee@airasia.com](mailto:taa_auditcommittee@airasia.com) and [thaiwhistleblower@airasia.com](mailto:thaiwhistleblower@airasia.com). The Audit Committee is independent from the Management and has an internal auditing unit to screen such clues and complaints. The complained information will be kept confidential and the Company has measures to protect the informants or whistleblowers about corruption from being intimidated or threatened by reporting such information or clues. Any person who acts in retaliation against or threatens the whistleblowers will be properly dealt with and prosecuted according to the law. Upon receiving complaints, the Company has its measures as follows:

- 1 The informants can report complaints or report clues through the website. <https://www.aavplc.com> under the topic "Corporate Governance", or sub-title "Whistleblowing Channel" or in writing via E-mail: [taa\\_auditcommittee@airasia.com](mailto:taa_auditcommittee@airasia.com) and [thaiwhistleblower@airasia.com](mailto:thaiwhistleblower@airasia.com).
- 2 Collection of facts will be made by the complaint recipient, or assigning others to gather facts which takes about 30-60 days to consider and summarise the preliminary facts.
- 3 Setting up a Disciplinary Investigation and Penalty Committee, consisting of senior Managements and representatives from relevant departments.
- 4 The Disciplinary Investigation Committee will conduct an investigation to find out the facts, process and summarise the results of the investigation whether the respondent has committed an unethical, illegal or disciplinary action and the company's Articles of Association or not? How?



- 5 If the conclusion turns out that an offense has been really committed, the Company will take disciplinary action for which the penalty will be considered as appropriate to the case in compliance with the conclusions of the Disciplinary Investigation Committee.
- 6 The Disciplinary Investigation Committee will jointly consider the causes and solutions including guidelines to prevent such incidents from recurrence in the future.
- 7 Report the results of the investigation to the Audit Committee and/or the Board of Directors, as the case may be.

#### **Follow-up and Evaluation of Result of Compliance with the Code of Conduct**

The Company has supervised the compliance with business code of conduct. It is the duty and responsibility of all Directors, Managements and employees to acknowledge and understand and comply with the policies and guidelines specified in the code of conduct, not an arbitrary practice, and they cannot claim that they do not know the guidelines prescribed. The Managements of all levels in the organisation must take responsibility and consider it important to ensure that employees under their chain of command know, understand and strictly comply with the code of conduct. In addition, the Company has prepared relevant training courses such as courses on employee's code of practice, counter-corruption course, course on corruption prevention and suppression and giving/taking bribes. The aforementioned courses are compulsory courses that all employees at all levels must always attend the training and pass the test. This Includes new employees who must attend all training courses and pass the test within the probationary period and will not be inducted as a permanent employee if they do not pass such training.

In addition, the Company will audit and evaluate the compliance with rules and business code of conduct of employees, Managements and Directors, with the Internal Audit Department reporting such assessment results to the Audit Committee annually, and the Company has a policy to regularly follow up and improve the business code of conduct to remain at the international level, modern and appropriate at all times.