



GOOD CORPORATE GOVERNANCE AND ETHICS CODE



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## ANNOUNCEMENT OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

Thai Airways International Public Company Limited (“THAI”) prepares this Good Corporate Governance and Ethics Code for expressing that THAI adheres to apply principle of Good Corporate Governance and ethics in operating the business. This is very important measure to create confidence of all relevant persons who supervise the Good Corporate Governance of state enterprise. In addition, this Code preparation is in compliance with the Constitution of Kingdom of Thailand B.E.2550 stipulating that there must be the Ethics Code for specifying standard of ethics for directors, executives and employees of the state enterprises.

This Good Corporate Governance and Ethics Code must come into force as from the date on which it is announced and it must be deemed as the framework for determining the policy of business operation, working and co-habitation of all level officers of THAI.

In this regard, the Board of Directors deems that it is the important mission to strengthen THAI to be the organization which adheres to and give the most value to the Good Corporate Governance and Ethics and will follow up the officers at all levels to further simultaneously and strictly observe the Good Corporate Governance and other laws, rules, regulations and orders.



**(Mr. Ampon Kittiampon)**

Chairman  
Thai Airways International  
Public Company Limited



**(Mr. Sathit Limpongpan)**

Chairman of Good Corporate Governance Committee  
Thai Airways International  
Public Company Limited



**(Mr. Piyasvasti Amranand)**

President  
Thai Airways International  
Public Company Limited

Announced on 28 September 2010

# PART 1 GENERAL PROVISION

## ARTICLE 1. DEFINITION

In this Good Corporate Governance and Ethics Code

“**THAI**” or “**Company**” means Thai Airways International Public Company Limited.

“**Directors**” means the holders of position of members of the Board of Directors of Company.

“**Board of Directors**” means the Board of Directors of Thai Airways International Public Company Limited.

“**Executives**” means President or the highest-rank executive and the employees holding Department Manager Level’s position upwards.

“**Officers**” means Directors, Executives, Employees and Temporary Staff

“**Employees**” means monthly employees permanently employed by the Company and receive salary according to the Company’s salary list, regardless of whether such employees are the executives or not and also means the President.

“**Temporary Staff**” means the persons temporarily employed to work by the Company

## ARTICLE 2. VISION

THAI’s vision is to be the first airline chosen by the customers and to provide an excellent service with “**Saneh Thai**” (Thai charm)<sup>1</sup>

## ARTICLE 3. CULTURE OF ORGANIZATION

THAI’s culture of organization is “**THAI SPIRIT**”. The word “**THAI**” has the meaning according to each letter as follows:-

### **T = Teamwork & Trust**

**Teamwork** means the employees have positive attitude in working with team for helping support and promote the operation and for increasing competitive competency of the organization which is the important foundation to cause THAI to be the firm organization having the competitive advantage.

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<sup>1</sup> “**Saneh Thai**” (Thai charm) means the politeness, gentleness, gnerosity, cheerfulness according to Thai culture which will result in the customers’s impression.

**T**rust means the Employees have reliability and trust each others, respect the right of each others and have freedom to express creative opinion which will help the working to be efficient and responsive to the change of every situation. As a result, it will create credit and trust in the products and services of THAI.

#### **H = Happiness & Hospitality**

**Happiness** means the Employees have good health and good attitude, love their organization and have happiness to work for the organization. Accordingly, it will increase the efficiency of working and it will result in the good service.

**Hospitality** means the Employees have the consciousness and to be ready for rendering the excellent service with the politeness, gentleness, generosity, cheerfulness according to Thai culture which will result in the customers' impression. Additionally, the paying of attention to the desire and expectation of the customers by mean of focusing upon the forwarding of good experience for the customer's maximum satisfaction.

#### **A = Awakening & Accountability**

**Awakening** means the Employees have the alert and enthusiasm in working including to be ready to learn new things, always being desirous to improve everything, as a consequence, it will enable the Employees to continuously improve themselves and organization to be better, it will help the organization to have more potential of business competition and to cause THAI to be able to improve its working process and service and the endless creation of innovation.

**Accountability** means the Employees have the responsibility for working including for the result of the assigned work and the work which they assign the others to do. The Employees must be able to explain both cause and effect and to keep their promise and not throw the blame on others. Accordingly, this will result in the increase of working efficiency.

#### **I = Inspiration & Integrity**

**Inspiration** means the Employees have the inspiration in working which results from the feeling that they are the part of organization, being long for success and being desirous to take part in the organization's advancement. It is a factor to awaken them to love their work and to have an earnestness and devotion for THAI to have more and more success.

**Integrity** means the Employees have the honesty, morality, virtue and ethics, work with transparency, protect the interest and have responsibility for the organization's stakeholders including to manage the organization by adhering to the Good Corporate Governance principle.

THAI's culture of organization will unite the executives and all Employees to have values and behavior in the same direction of working and to push forward the strategy and to cause the organization to meet the set target.

## **ARTICLE 4. MISSION IN BUSINESS OPERATION**

THAI's Mission in Business Operation is to cause THAI to become the organization having high efficiency in business operation, to have transparency can be checked and to focus on creation of maximum benefit for the shareholders by also taking other stakeholders into consideration.

In this connection, the THAI's policies to which Officers must adhere as the guideline for working are as follows:-

### **(1) Policy on Aviation Safety**

THAI will cause the Officers to adhere to the safety as the key by mean of specifying the safety standard and aviation activity to be in compliance with law and international standard including to provide continuous inspection and maintenance of system and safety report to be known by the Executives including the Employees having the duty and responsibility, provided that, the report of error of operation affecting the safety will not result in the disciplinary punishment.

### **(2) Policy on Quality of Product and Service**

THAI will cause the Officers to work by focusing upon the quality of products and services to meet the customers' satisfaction and to impress the customers and to be in compliance with the aviation business international standard.

### **(3) Policy on Safety, Occupational Hygiene and Working Environment**

THAI will emphasize the importance of the protection and to take care of the Officers who are the most importance and valuable to work safely, to have good health, to be in appropriate working atmosphere under the management system, safety, occupational hygiene and working environment having accepted standard.

### **(4) Policy on Environment**

THAI will operate its business to be in line with the Environment Management System/EMS:ISO14001 and Aviation Environment which is the commercial aviation circle's practice in order to minimize the pollution and effect as a result of business operation and aviation practice.

### **(5) Policy on Unfair Non-Discrimination**

THAI's operation in terms of personnel recruitment, employment, employment termination, Employees improvement, promotion, transfer, assignment, must be fair without any discrimination against any person due to the difference of race, nationality, religion, sex, age, educational background or any other reasons. In addition, there must not be an unfair discrimination in providing services or doing business with juristic person or person from some countries or nationalities.

## **(6) Policy on Corporate Governance and Ethics**

THAI will operate its business by adhering to the basis of Good Corporate Governance principle by causing the Officers to simultaneously comply with this Good Corporate Governance and Ethics Code including laws, rules, regulations and other orders strictly.

## **ARTICLE 5. MISSION IN ROLE AND THE PROVIDING OF TREATMENT TO STAKEHOLDERS**

THAI's Mission in Role and the Providing of Treatment to Stakeholders is to cause THAI to become the organization which appropriately and fairly provides the treatment to all stakeholders.

In this regard, the policies to which the Officers must adhere as the guideline for working are as follows:-

### **(1) Policy on the Role and the Providing of Treatment to the Country**

THAI will operate its business with transparency, can be checked, accordingly, this will help THAI to grow sustainably and to be beneficial to the “**Country**” and will not do any act which will damage the country's reputation.

### **(2) Policy on the Role and the Providing of Treatment to the Society and Public**

THAI will operate its business by taking the natural resource, environment and public interest into consideration, will instill the consciousness for the Officers to be responsible for “**society and public**” and to support, promote or participate in the activities which are beneficial to society and community as appropriate.

### **(3) Policy on the Role and the Providing of Treatment to the Shareholders**

THAI will operate its business for continuously and sustainably generate good yield for the **Shareholders** and will provide the equal treatment to every **shareholder**.

### **(4) Policy on the Role and the Providing of Treatment to the Customers**

THAI will render the quality service and will pay attention on the safety, convenience and will seek for the method being able to efficiently fulfill **the customers'** need with productivity including satisfaction.

### **(5) Policy on the Role and the Providing of Treatment to the Business Partners, Creditors and Debtors**

THAI will cause the **Business Partners, Creditors and Debtors** to be confident that they will be equally and fairly treated based upon the business relationship and fair yield between both parties. THAI will also avoid any situation which may cause the conflict of interest.

## **(6) Policy on the Role and the Providing of Treatment to the Officers**

THAI will promote the importance of **all-level Officers** by providing the process of nomination and recruitment which is standard, clear and transparent, will have the continuous improvement of Officers' body of knowledge in order to create the opportunity for their progress, will have the system for keeping the competent and good Officers with the organization, will have the strengthening of the working atmosphere and environment including the occupational health of the Officers and to have the strengthening of culture of organization to be unique.

## **ARTICLE 6. PROMOTION AND SCOPE OF ENFORCEMENT OF GOOD CORPORATE GOVERNANCE AND ETHICS CODE**

6.1 The Company's Board of Directors must appoint the Good Corporate Governance Committee comprising a Board's member or person not being a Board's member of not less than 5 persons to have authorities and duties as specified by the Company's Board of Directors. The Committee must have authorities and duties to take care of and to specify the policy and guideline which will promote the principle of Good Corporate Governance and Ethics Code to be accepted as one of the top values of organization and in order that the Officers will strictly adhere to the provisions of Good Corporate Governance and Ethics Code;

6.2 This Good Corporate Governance and Ethics Code must apply to all Officers and each Officer has the duty and responsibility to strictly comply with the provisions of this Good Corporate Governance and Ethics Code. The compulsory provisions contained in Part 3 hereof (PART 3 THAI's Ethics Principle) are the Ethics Code under the provision of Constitution of Kingdom of Thailand B.E.2550 Article 279 of the Company.

## **ARTICLE 7. PRACTICE IN VIOLATION OF GOOD CORPORATE GOVERNANCE AND ETHICS CODE**

7.1 In case where the Officers behave or treat in violation of Article 14. hereof in Part 3 (THAI's Ethics Principle) of this Good Corporate Governance and Ethics Code, it is deemed to be the violation of discipline and the Legal and Compliance Department must have authority and duty to consider and decide the compliant in regard to the circumstance being suspicious to be the violation of discipline. The Legal and Compliance Department must also take the behavior of such violation, intention or intent, motive, age, record, position, duty and responsibility of the violator including the damage suffered or may be suffered from such violation and other significant reason into consideration. The complaint inclusive of consideration and decision of such complaint in regard to this matter must be in compliance with the Company's relevant regulations;

7.2 In case where the Officers behave or treat in violation of other compulsory practice in addition to Article 7.1, it may affect the consideration on the praiseworthy from the duty performing of such Officer and it must be in compliance with the Company's applicable criteria of each period of time.

## **PART 2 THAI'S GOOD CORPORATE GOVERNANCE PRINCIPLE**

### **ARTICLE 8. FACTORS OF GOOD CORPORATE GOVERNANCE PRINCIPLE**

Factors of Good Corporate Governance Principle are as follows:-

- (1) Creation of Long Term Value for the Organization
- (2) Transparency
- (3) Responsibility
- (4) Accountability
- (5) Equitable Treatment

### **ARTICLE 9. CREATION OF LONG TERM VALUE FOR THE ORGANIZATION**

9.1 The Company's Board of Directors must promote and instill vision in the Officers and must cause them to realize the importance in increasing the competency for all aspects' competition in order that they will be confident in both present and future operational performance. Accordingly, it will be the creation of added-value for the organization in the long term without destroying the short-term competency;

9.2 The Company's Board of Directors must provide the Nomination Committee for nominating the persons who should be appointed as the members of Company's Board of Directors in accordance with the generally accepted criteria and method and can be checked;

9.3 The Company's Board of Directors must appoint the Chairman of the Board from the director who is not the President and must specify the scope of authority, duty and responsibility of the Chairman of the Board and the President to be different from each others;

9.4 The Company's Board of Directors must appoint the Secretary of Company to perform the duty as specified by law including to assign duty for the Secretary to cooperate and to follow up, take care of the compliance with the Board of Directors resolution including to perform other duties as deemed appropriate by the Board of Directors;

9.5 The Executives must comply with the policy in regard to the nomination, appointment, transfer and consideration on praiseworthy with the transparency and fairness in order to have the Officers who have knowledge, competency and being appropriate for the position and in order that the Officers who are good and competent will have progress and security in their work.

## **ARTICLE 10. TRANSPARENCY**

10.1 The Company's Board of Directors must take care of making the disclosure of significant information in regard to finance and other aspects which relates to the Company's business operation within the appropriate period of time. The disclosure must be made via the channel which can be conveniently accessed by the relevant persons. The information must be transparent and correct according to the criteria of the relevant laws. Additionally, all Company's stakeholder groups must have an equal opportunity to know such information, provided that, the Company's information disclosure must be only made by the assigned person. The Company's general Officers have no duty of the information disclosure;

10.2 The Company's Board of Directors must establish the public relation unit and the investors relation unit. The public relation unit performs duty in publicizing the information and general news regarding the Company to public. The investors relation unit will perform the duty in contacting, coordinating and giving information in regard to finance and other aspects in relation to the Company's business operation to the shareholders, investors and the securities analysts. The Officers must operate the business with transparency by disclosing adequate information according to the laws and regulations of the relevant supervisory government agencies, for instance, the Ministry of Finance, the Stock Exchange of Thailand and the Securities and Exchange Commission, etc. in order to create reliability and to give an opportunity for the Company's relevant persons or stakeholders to able to check the Company's business operation;

10.3 The Officers must not have personal interest in performing their duties, nor take action, nor omit to take action in the manner that it may cause the conflict of interest with the Company, nor use inside information of the Company, nor take any other action in performing their duty to seek for the interest for themselves or for others;

10.4 The Officers must prepare the report to the immediate supervisor (the copy of report must also be sent to the Company's Secretary) when they doubt that themselves or relevant persons have the interest which conflicts with those of the Company in order that the Company will consider to further issue the order;

10.5 The Officers must not take the position of director or advisor of any company or person who will or may cause the conflict of interest with the Company unless the Company's Board of Directors prior authorization has already been obtained.

10.6 The acceptance of property or any other benefit on the ethical basis in the performing of duties of the Officers must be subject to the criteria specified by the National Anti-Corruption Commission.

## **ARTICLE 11. RESPONSIBILITY**

11.1 The Officers must devote themselves in performing their duties with knowledge and experience to the best of their ability by placing importance to the responsiveness to the need of shareholders, customers, business partners and Employees. In addition, in case that their need is not corresponding to one another, the Officers must balance such need as best as they can;

11.2 The Officers must use their discretion in independently performing the duties with honesty and fairness in order to manage the work under their duties to meet the target which results in the maximum benefit for the Company. For this purpose, the Officers must take care of the right of the stakeholders to be well protected and treated;

11.3 The Officers must avoid any action which conflicts with the Company's interest nor take the opportunity, nor use the information receiving as a result of being the Company's Officers to seek for interest for themselves or others;

11.4 The Executives must promote and instill the consciousness of high responsibility in performing the duties in the subordinates.

## **ARTICLE 12. ACCOUNTABILITY**

12.1 The Officers must attentively perform their duties to the best of their ability and must exercise care in the manner of the person having knowledge and experience including to be ready to be responsible for the result of their actions;

12.2 The Officers must be ready to explain their decision and action to the Company's Board of Directors, immediate supervisor, shareholders, customers, business partners and Company's other stakeholders;

12.3 The Executives must promote and instill the consciousness of responsibility for the result of performing of the duties in the subordinates.

## **ARTICLE 13. EQUITABLE TREATMENT**

13.1 The Executives must operate the business and perform their duties with fairness by equally providing the treatment to the stakeholders without any discrimination due to the difference of their races, nationalities, religions, sexes or other unfair reasons;

13.2 The Officers must treat the business competitors to be in line with the international principle under the scope of relevant laws, nor infringe the secret, nor to fraudulently know the trade secret of its competitors;

13.3 The Executives must provide the channels for the Employees to be able to notify the matter which indicates the illegality or violation of the Company's regulations and to take care of their complaints to be responded within the appropriate time.

## PART 3 THAI'S ETHICS PRINCIPLE

### ARTICLE 14. ETHICS

In performing their duties, the Officers must adhere to the principles as follows:-

(1) To adhere to the democratic regime - To support and adhere to the democratic regime of which the King is the Head of State;

(2) To adhere to the Company's interest - To perform duties for the maximum benefit of the Company by neither seeking for benefit for themselves nor having the conflict of interest;

(3) To adhere to the honesty - Not allow to have dishonesty in the work under their duties and responsibility;

(4) To adhere to the righteousness - Not allow to have illegal act in the work under their duties and responsibility;

(5) To adhere to the transparency - Not distort any fact in any manner in giving information to their colleagues, people, shareholders and other stakeholders.