



NOK AIR

Networking
Open-minded
Know-How
Active
Innovative
Reliable





NOK CHEUN JAI



Our drinking water represents our hearts as we welcome our passengers with smiles. Like the old saying goes, “Krai Ma Terng Ruen Chan Tong Ton Rub” or “We must sincerely welcome everyone who visits our home.”

Every month, various artists create “**Bird**” themed artworks to tell a story of bird on our “**Nok Cheun Jai**” bottles.

In 2018, more than 12 different species of birds were painted on NOK drinking water bottles. Some were well - known for their beauty, like eagle, gruidae and hornbill, but some such as yellow bellied sunbird, puffin and blue jay were very unfamiliar to us.

“**Nok Cheun Jai**” bottles eventually became collectible items among our passengers. They even started trading the bottles in their own communities. In a way, “**Nok Cheun Jai**” helps reduce waste since passengers take the bottles home with them instead of throwing them away.

This year, we hope to put “**Nok Cheun Jai**” in your heart and find those bird designs yourselves.

“Nok Air We Fly Smiles”



Fly to Japan and Taipei

more conveniently in one booking



Baggage checked through to your final destination

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MESSAGE FROM THE CHAIRMAN OF THE BOARD



Dear Shareholders of Nok Airlines Public Company Limited,

In 2018, the overall Southeast Asian industrial market grew rapidly due to the regional economic expansion, leading to constant domestic advancement with new routes extension to reach more regional destinations. Nevertheless, the business competition was more aggressive with both the full-service airlines and low-cost airlines flying the same routes. The critical competition eventually introduced new services to respond to passengers' requirements low-cost airlines focused on Cost Leadership strategies i.e. tickets excluding baggage, packages including ticket and hotel or car rental, to increase market share.

In addition, in 2018 air fuel pricing, which is the main operating cost had increased from 65.52 USD per barrel to the average price of 85.77 USD causing the fuel cost to increase to 4,884.33 million Baht or 19.96% compared to last year. Therefore, the consolidation loss of 2,786.76 million Baht.

However, the Board has concentrated to implement the Turnaround Plan with its highest capabilities as possible enhance Step 1: Stop Bleeding; Step 2:

Stabilizing and Step 3: Expansion. Currently, the Company is at the first step to stop bleeding by certain strategies initiated by the Board i.e. Fleet Management to ensure suitable fleet for both number of passengers and routes. This is to increase aircraft utilization and reducing the type of aircraft from three to one for effective cost control. Moreover, the Company also increases international routes to China, India and Japan as they are higher revenue and profitable markets than the domestic market, the aircraft is also utilized more efficiently.

Moreover, the Company joined with Thai Airways and Thai Smile Airways as alliances of the "Thai Group" while joining the low-cost airlines alliances in the name of "Value Alliance" which consists of various international airlines namely Nok Airlines, Scoot, Nok Scoot, Cebu Pacific, Jeju Air and Vanilla Air.

Finally, on behalf of the Board of Directors of Nok Airlines Public Company Limited, I would like to thank the shareholders, stakeholders, customers, business partners and alliances including all supporting

persons so that we can achieve our corporate goals. I would like to ensure you that the Board will highly uphold the Company's governance principles with transparency, coupling with social and environmental responsibility under the ethical management proceeding to enhance sustainable development as the forever benefits for our shareholders and stakeholders in all sectors.

Mr. Prasert Bunsumpun
Chairman of the Board

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



During the last year, as the acting Chief Executive Officer, I am so proud that Nok Air has been in the aviation business for 14 years. We are proud to be a Thai airlines serving Thai passengers and tourists from around the world over with our sincere services that distinguish us from other low-cost airlines. Amidst high marketing competition and a large number of service providers, passengers continue to trust Nok Air's services reflected by the increase of cabin factor from last year 85.62% to 88.65%.

In order to achieve our Turnaround Plan, the Executives and all employees are

determined to move forward by focusing into details from the booking of tickets and seats selection in advance, various check-in channels for the satisfaction of the passengers. A big change that is taking place is to transform from a low-cost airlines to the lifestyle airlines that does not focus on price competition but provides services that answer segmentation lifestyles. Under the concept of "Choose Your NOK" to satisfy passengers' needs with convenience and happy traveling.

The Company will still focus on route management to match market demands by covering the most domestic routes

possible. During the past year, we started additional new routes namely Udon Thani to Ubon Ratchathani to facilitate passengers through the Cross-Country routes by not having to fly-off from Bangkok. Nok Air also launched the service code-share flights from Don Muang to Mae Hong Son in cooperation with THAI Group, which is the alliance of three best-value airlines, comprising of Thai Airways International Public Company Limited (THAI), Nok Airlines Public Company Limited, and Thai Smile Airways Company Limited. The Fly 'n' Ride and Fly 'n' Ferry was another top-up service launched last year that helps us cover most of all

domestic routes. The two Fly 'n' Ride routes from the smaller northern cities are Mae Sai and Lumphun. This is how we enhance our services to reach the most destinations for passengers in Thailand, regardless of airports availability. The next step is to increase profit gaining from each route and manage aircraft utilization. The past year, we were able to increase the average aircraft utilization hours to 9.36 flight hours per day, 16.85% higher than the previous year. For the international flights we increased our marketing operation jointly with our alliances, especially NokScoot. We also launched the pro-active business strategies for cargo transportation services, including increase in ancillary of revenue other than tickets i.e. products selling, aviation relevant services and E-Commerce.

The past year was an awarding year for Nok Airlines starting from being "Number 1 Low-cost Airlines of Thailand" presented by the Skytrax World Airlines Award with international recognition. We have also been awarded Website - General - Travel / Tourism 2018 from The Communicator Awards 2018 which is internationally recognized in market communication with certification by AIVA or Academy of Interactive and Visual Arts. Nok Air was chosen from over 6,000 submitted name lists. For the investment sector, Nok Air has joined the Principles of Good Corporate Governance of Listed Companies (CG Rating) under the Thai Institute of Directors Association (IOD) for the past 4 years. This year the Company rating is higher than 80% or "very good", which reflects our corporate efficiency by good governance and ethics to enhance higher value for long-term shareholders and other stakeholders.

Although Nok Airlines is pressure with high competitive aviation business, but being the airline of Thai people we realize the importance of running a business with responsibility and good willingness to contribute to social and community development, especially for youth range who will grow to be qualified citizens of our country. In 2018, we started social and community development activities under the 3 projects. Nok Sharing, Nok Learning and Nok Delight.

1. Nok Sharing (Nok Bangpan) is the project that supports and care for those who lack opportunity without proper access to various development activities for a better quality living. There is also the longer life project "Nok Gives Life" that has continued for 13 years. This project aims to raise fund for the Cardiac Children Foundation of Thailand under the Royal Patronage of H.R.H. Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra, which helps disadvantaged children with heart disease. Since then, we have helped more than 500 cases.
2. Nok Learning is the co-sharing project between Nok Airlines and the Ministry of Human Security and Social Development under the name of "Fulfill Your Dream" to enhance learning skills for students outside the classroom for disadvantaged children throughout 2018. 650 students have been supported.
3. Nok Delight aims to promote giving either in the form of materials or giving for satisfaction. For instance the project to help people and society as a whole in cooperation with the Thai Red Cross by providing transportation of organs, tissue and blood. Throughout the past 8 years, from 2011 to 2018 there were a total of 2,093 persons who benefitted by this project. We also support the mobile dentistry services provided by the Princess Mother's Medical Volunteer Foundation - PMMV, and "One of your meals = one full Disadvantaged Child" by donating a portion of income earned from selling hot meals to the C.C.F. Foundation for children and youth under the gracious patronage of Her Royal Highness Princess Maha Chakri Sirindhorn.

Finally, all Nok Air passengers have greatly contributed to all social and community development activities. On behalf of the Executives and all Nok Airlines employees we would like to ensure you of our "utmost determination" to enhance sustainable growth and strength of Nok Airlines under good governance as "The Airline of Thai people, to bring pride to all Thais". Nok Air would like to highly thank you all.

Mr. Pravej Ongartsittigul
Acting Chief Executive Officer

REPORT OF THE AUDIT COMMITTEE

Dear Shareholders of Nok Airlines Public Company Limited,

The Audit Committee consists of three independent directors: Mrs. Chiraporn Chemnasiri, the Committee Chairman, and Mr. Visit Tantisunthorn and Mr. Apichart Chirabandhu, committee members. These three people possess qualifications as defined in the notification of the Office of the Securities and Exchange Commission (SEC) and they have duly performed duties and fulfilled responsibilities as entrusted by the Board based on the Audit Committee's Charter, which is also in line with that of the Office of the SEC and the notification of the Stock Exchange of Thailand (SET).

During the fiscal year that ended on December 31, 2018, the Audit Committee had 10 meetings with the management, the internal auditors, and the auditors. The meeting agenda for the Meeting no. 1/2018 on February 14, 2018, did not include the management. The attendance of each member of the Audit Committee is shown in the meeting attendance table under the "Corporate Governance of the Audit Committee," which involves the following substantive matters:

1. The Audit Committee submitted consideration of the quarterly financial statements and the 2018 financial statements in conjunction with the auditors and the management, by inquiring material matters and providing fruitful advice and opinions to directors to ensure that the financial statements are accurate, complete, and reliable in accordance with Certified Account and disclose sufficient, proper information.
2. Considering the efficiency and effectiveness of the internal control, risk management and internal audit systems, based on report of the internal auditors and the auditors; and reviewing corruption prevention measures and guidelines in different functions to identify if they are adequate and sound for business operations.
3. The Audit Committee considered the adequacy and soundness of the internal control system - The Audit Committee has decided to hire P & L Internal Audit Co., Ltd., (P & L), which offers an internal audit service and has no conflict of interest with the Company. As the internal auditor, P & L will ensure that the Company's internal audit is effective, efficient, and independent. The Committee is responsible for reviewing the annual internal audit plan and the internal audit report, constantly monitoring the internal audit results with the management, and providing advice on, and guidelines for, internal audit in line with current circumstances. Based on the internal audit report, the Audit Committee is of the opinion that the Company's internal audit system is appropriate and adequate.
4. Reviewing and providing opinions about connected transactions or transactions with a conflict of interest and disclosure of the information with caution, rationality and taking into account the utmost interests of stakeholders based on the SET's and the SEC's requirements.

5. Reviewing the performance of auditors from the Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. and their remuneration. The list of auditors is as follows:

- Mr. Suphamit Techamontrikul, Certified Public Accounting Accountant No. 3356 and/or
- Miss Wimolporn Boonyasthian, Certified Public Accounting Accountant No. 4067 or
- Mr. Kiatniyom Kuntisook, Certified Public Accounting Accountant No. 4800

The Audit Committee viewed that in 2018, the auditors were independent, professionally expert and appropriately experienced, performed well, and offered helpful advice to Nok Air. Furthermore, the auditors followed their Code of Ethics for Professional Accountants, legal provisions on accounting profession and additional provisions of securities and exchange law.

Based on the foregoing action, the Audit Committee is of the opinion that in 2018, the Audit Committee have duly performed duties as entrusted by the Board based on the Audit Committee's Charter. The Audit Committee is of the opinion that management and Company's business did have integrity and commitment to performing duties to achieve goals. They truly attached great importance to efficient and effective, transparent, and accountable operations. In addition, they underlined the importance of corruption prevention in different functions in the Company and prepared and disclosed accurate information in the Company's financial reports in line with Thai Financial Reporting Standards (TFRSs) and ensured suitable and sufficient internal control of key functions. The Company has duly complied with relevant laws and regulations to ensure its completeness and appropriateness.

Mrs. Chiraporn Chemnasiri
Chairman of the Audit Committee

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Dear Shareholders of Nok Airlines Public Company Limited,

The Corporate Governance Committee of Nok Airlines Public Company Limited consists of three capable and experienced directors who have business insight: Gen. Pornchai Kranlert, the Committee Chairman, and Mrs. Heather Mary Suksem (OBE) and Mr. Nivat Bangsa-ngiam, committee members. Mr. Chairat Sangchan, Chief Support Officer, serves as the Secretary of Corporate Governance Committee.

The Board pays attention to conducting honest, transparent and auditable business and is against all kinds of corruption. It therefore makes sure that Nok Air adheres to Corporate Governance Code (CG Code), code of conduct and ethical standard to develop and enhance the effectiveness of Nok Air's corporate governance system. This will build confidence among all stakeholders and lead to the Company's sustainable growth.

The Board has assigned the Corporate Governance Committee to propose the corporate governance guideline and supervise the operations of directors and management. This aims to ensure the compliance with the Company's CG Code and alignment with SEC and SET CG Code, recommendations in Corporate Governance Assessment Report of Thai Institute of Directors (IOD), international standard of The Organization for Economic Cooperation and Development, and ASEAN CG Scorecard. The responsibility of the Corporate Governance Committee includes conducting sustainability management and defining anti-corruption framework of Nok Air.

In 2018, the Corporate Governance Committee held five meetings to supervise, monitor, and evaluate the outcome of corporate governance and anti-corruption plan, communication plan and corporate image, social and environmental responsibility, and sustainable development, which involves the following substantive matters:

1. Reviewing the charters of Sub-Committees. The Corporate Governance Committee reviewed its charter and coordinated with other four Sub-Committees, namely Executive Committee, Risk Management Committee, Audit Committee and Nomination and Remuneration Committee,

to review their charters. Each has reviewed its charter and the Board revised three charters, namely the charter of the Corporate Governance Committee, Risk Management Committee and Executive Committee, to be aligned with CG Code and current situation.

2. Reviewing corporate governance policy by appropriately applying to the business CG Code for listed companies in 2017 and recommendations from IOD Corporate Governance Assessment Report and improving Nok Air's corporate governance policy, which was proposed to the Board for approval.
3. Holding a lecture by expert speakers on promotion of good governance and corporate governance. Attended by top management from all functions, the lecture aimed to promote learning, understanding and experience sharing on corporate governance, which would lead to implementation.

The Corporate Governance Committee strongly believes that conducting business by adhering to corporate governance will lead to sustainable success, which will benefit all stakeholders and helps Nok Air to gain acceptance at national level.

Gen. Pornchai Kranlert

Chairman of the Corporate Governance Committee

REPORT OF THE RISK MANAGEMENT COMMITTEE

Dear Shareholders of Nok Airlines Public Company Limited,

The Risk Management Committee of Nok Airlines Public Company Limited consists of four capable and experienced directors who has business insight: Mr. Sorasit Soontornkes, the Committee Chairman, and Mr. Visit Tantisunthorn, Mr. Norahuch Ployyai and Mr. Prasert Akkharaprathomphong, committee members. Mr. Chairat Sangchan, Chief Support Officer, serves as the Secretary of Risk Management Committee.

The Risk Management Committee has served the Board under Corporate Governance Code (CG Code). It is responsible for defining policies and risk management framework as well as ensuring the implementation of risk management across the organization to properly mitigate external and internal risks that impact the Company's business. The Committee also set a proper risk management framework and executed strategic operations to efficiently and effectively achieve the target and build confidence among shareholders and all stakeholders.

In 2018, the Risk Management Committee held six meetings and one meeting with the Audit Committee, which involved the following substantive matters:

1. Reviewing the charter of the Risk Management Committee - The Committee reviewed its charter to ensure that it complied with CG Code and was aligned with the current situation. The Meeting approved the revision of the Charter of the Risk Management Committee on September 13, 2018.
2. Reviewing the risk management policy - The Committee updated the policy to be in line with the current situation.

3. Reviewing corporate risks - The Committee hosted a workshop for all related management and staff to review corporate risks. It also had a meeting with the Audit Committee to jointly provide comments and recommendations on major risks as well as a guideline to control or manage risks in 2019.

The Risk Management Committee has strongly determined to leverage its experience to supervise and monitor the risk management of Nok Air with effective risk management process, which will bring sustainable growth to the Company. Last but not least, the Committee fostered the conscience of risk management and turned it into corporate culture.

Mr. Sorasit Soontornkes

Chairman of the Risk Management Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders of Nok Airlines Public Company Limited,

In the year 2018, the Nomination and Remuneration Committee completely performed duties as assigned by the Board of Directors with prudence, transparency, under the scope of authority and responsibility as defined in the Nomination and Remuneration Committee charter, with a total of seven meetings to consider important matters as follows:

1. Selecting and nominating persons to become directors, independent directors, and subcommittee members, whether those who have completed their term of office or who have been newly appointed. The Committee considers persons that have all the qualifications stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand and do not have prohibited qualifications pursuant to related laws. The nominees shall have the background, experience, knowledge, and capability that yield maximum benefits to the Company. The Committee then proposes the nominees to the Board of Directors meeting for appointment. In case where directors have completed their term of office, the nominees will be proposed to the Annual General Meeting of Shareholders for approval.
 2. The Board of Directors has allowed minority shareholders to nominate persons who deem appropriate to be selected as directors, which appears that no shareholders nominate candidates for the nomination process of the Company to propose at the general meeting of shareholders. Year 2018.
 3. Developing self-assessment forms for the Board of Directors and Subcommittees as a whole and individual members of the committee in accordance with the guidelines of the Stock Exchange of Thailand. With these forms, they are required to conduct self-assessment and review their performance, problems, and obstacles in the previous year in order to optimize their performance and comply with the good corporate governance principles and proceed according to the resolution approved by the general meeting of shareholders who authorize the Nomination and Remuneration Committee to allocate the amount to each director and other sub-committees under the amount received approval from the shareholders' meeting.
 4. Disclosing the remuneration of directors and sub-committees, including the total remuneration of top executives in the annual report for transparency in the audit.
 5. Reviewing the Charter of the Nomination and Remuneration Committee to be complete, appropriate, and in accordance with the principles of good corporate governance.
- The Nomination and Remuneration Committee has performed its assigned duties with due care, transparency, impartiality, and independence as in line with the good corporate governance principles while taking into account the utmost interests of the Company and all its stakeholders accordingly.

Mr. Apichart Chirabandhu

Chairman of the Nomination and Remuneration Committee

BOARD OF DIRECTORS



Mr. Prasert Bunsumpun

Independent Director / Chairman of
the Board / Chairman of Executive



Mr. Pravej Ongartsittigul

Director /
Member of the Executive Committee /
Acting Chief Executive Officer



**Mrs. Naline
Ngamsetthamas**

Director /
Member of the Executive Committee



**Mr. Sumeth
Damrongchaitham**

Director



Mr. Wiwat Piyawiroj

Director



Mr. Rathapol Bhakdibhumi

Director / Member of the Nomination
and Remuneration Committee



Mr. Chavalit Uttasart

Director



Mrs. Chiraporn Chemnasiri

Independent Director /
Chairman of the Audit Committee /
Member of the Nomination and
Remuneration Committee



Mr. Apichart Chirabandhu

Independent Director /
Chairman of the Nomination and
Remuneration Committee /
Member of the Audit Committee



Mr. Visit Tantisunthorn

Independent Director / Member of
the Audit Committee / Member of
the Risk Management Committee



**Mrs. Heather Mary
Suksem (OBE)**

Independent Director / Member of the
Corporate Governance Committee

ADVISOR AND SUBCOMMITTEES



Gen. Pornchai Kranlert

Advisor / Chairman of the
Corporate Governance Committee



Mr. Sorasit Soontornkes

Advisor / Chairman of the
Risk Management Committee



**Mr. Teerapol
Chotichanapibal**

Advisor /
Member of the Executive Committee



Mr. Nivat Bangsa-ngiam

Member of the Corporate Governance
Committee



**Mr. Prasert
Akkharapraphomphong**

Member of the Risk Management
Committee

EXECUTIVE OFFICERS



Mr. Pravej Ongartsittigul

Acting Chief Executive Officer



Mr. Norahuch Ployyai

Chief Operating Officer



Ms. Pawinee Chayavuttikul

Chief Financial Officer



Mr. Chairat Sangchan

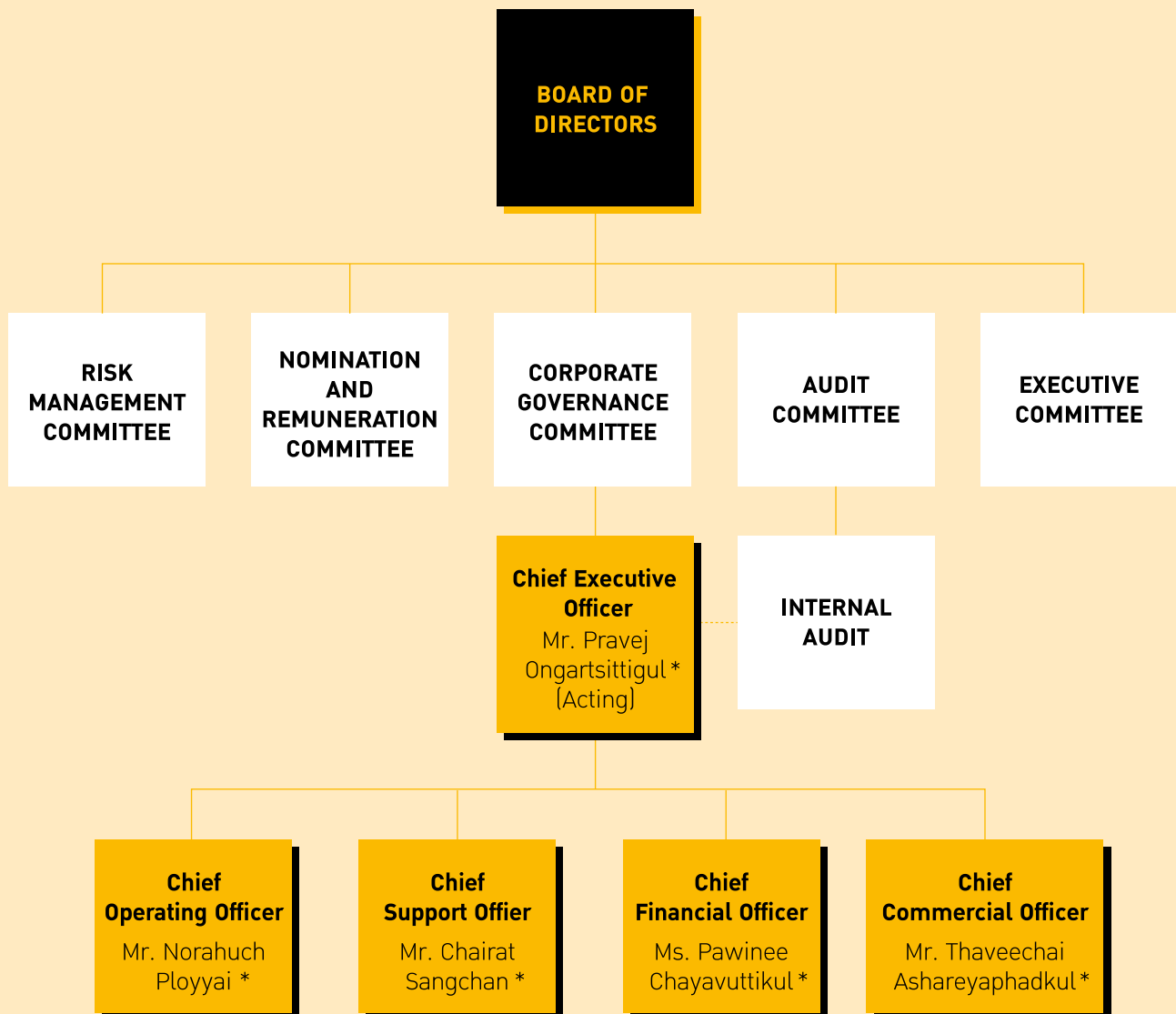
Chief Support Officer



**Mr. Thaveechai
Ashareyaphadkul**

Chief Commercial Officer

ORGANIZATION STRUCTURE



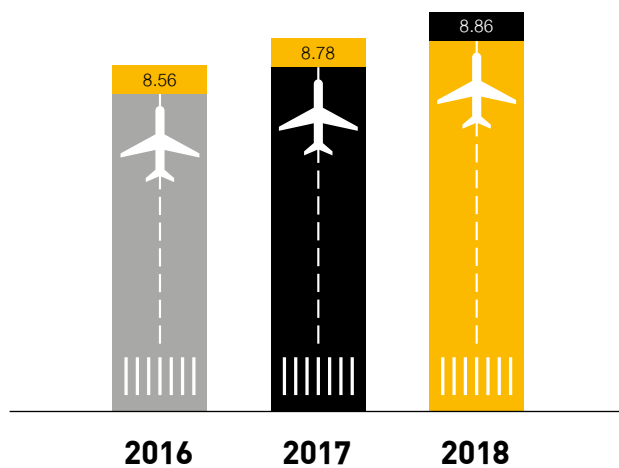
Note: * "Executives" as defined in the notification of the securities and exchange committee No.17/2008 Re: definition of the notification of issuance and offering of securities

OPERATIONAL HIGHLIGHTS

OPERATIONAL HIGHLIGHTS

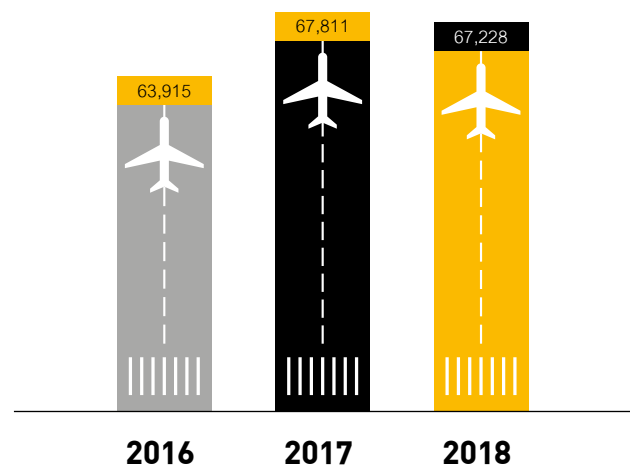
01 NO. OF PASSENGERS

(Million Passengers)



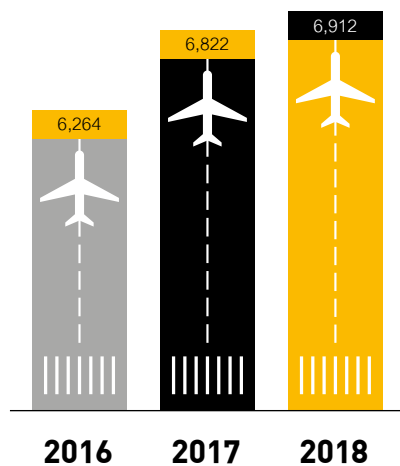
02 NO. OF FLIGHTS

(No. of Flights)



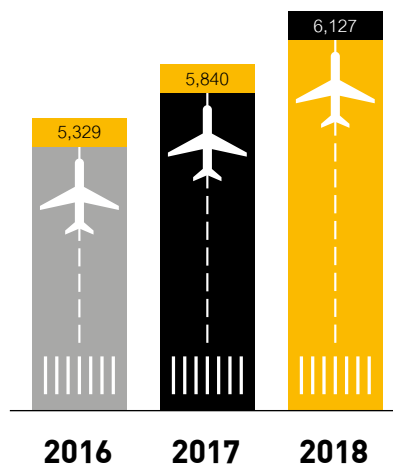
03 AVAILABLE SEAT KILOMETERS (ASK)

(Million Seat - km.)



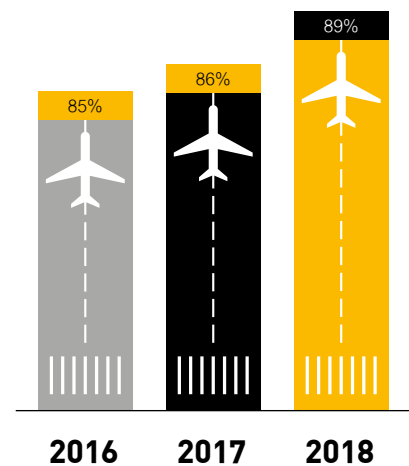
04 REVENUE PASSENGER KILOMETERS (RPK)

(Million Seat - km.)



05 CABIN FACTOR

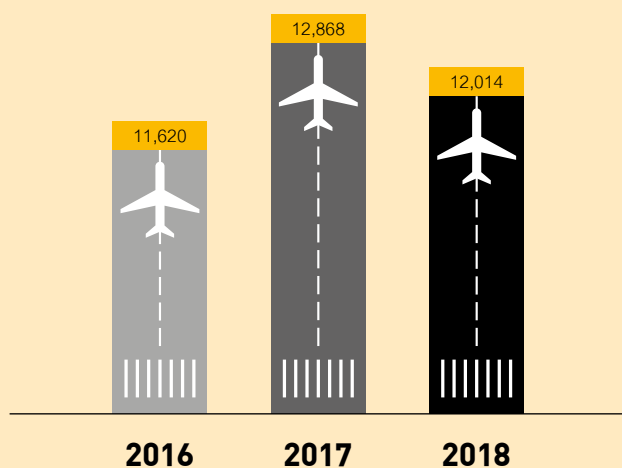
(Percent (%))



FINANCIAL HIGHLIGHTS

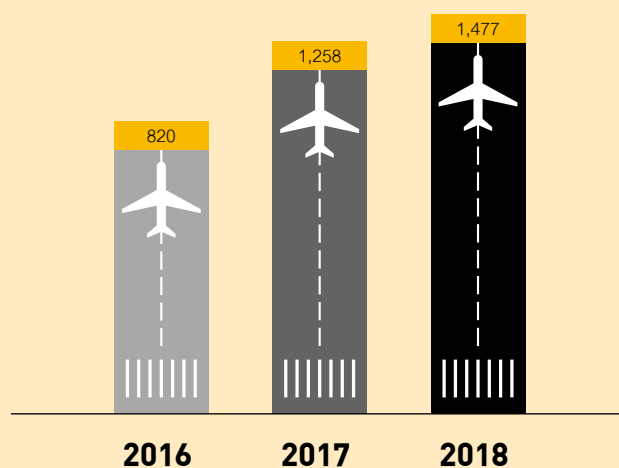
01 PASSENGERS REVENUES

(Million Baht)



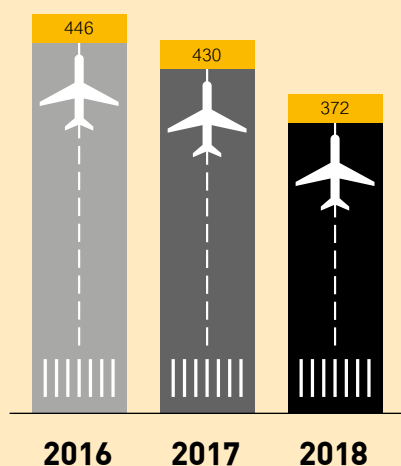
02 SERVICE REVENUES

(Million Baht)



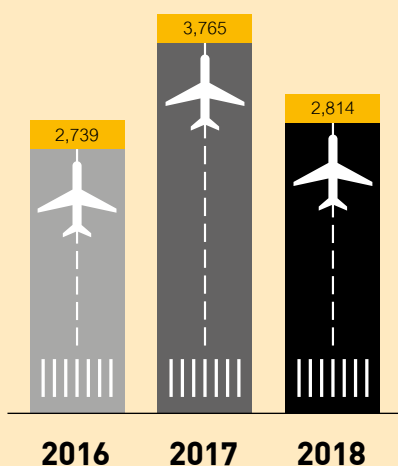
03 ANCILLARY REVENUES

(Million Baht)



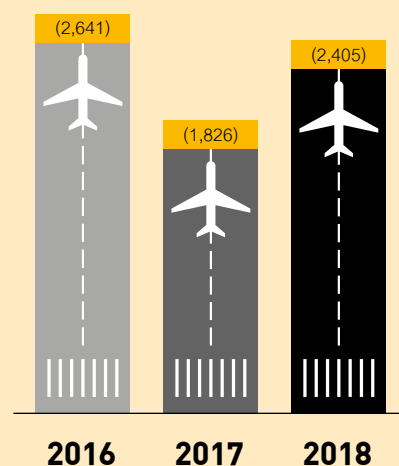
04 CONTRIBUTION TO FIXED COSTS

(Million Baht)



05 TOTAL COMPREHENSIVE INCOME (LOSS)

(Million Baht)



SUMMARY OF FINANCIAL AND OPERATIONAL INFORMATION

		Separated Financial Statements			Consolidated Financial Statements		
	Unit	2016	2017	2018	2016	2017	2018
Statement of Comprehensive Income							
Total Revenues	Million Baht	13,120	14,787	13,884	16,938	20,377	19,740
Total Expenses	Million Baht	15,746	16,612	16,289	20,194	22,268	23,710
Share of Loss on Investment in Joint Venture	Million Baht	-	-	-	(14)	(8)	(5)
Profit Before Income Tax Expenses	Million Baht	(2,627)	(1,826)	(2,405)	(3,270)	(1,900)	(3,975)
Profit for the Year	Million Baht	(2,627)	(1,826)	(2,405)	(3,270)	(1,900)	(3,975)
Profit (Loss) Attributable to Owners of the Parent	Million Baht	(2,627)	(1,826)	(2,405)	(2,795)	(1,854)	(2,787)
Statement of Financial Positions **							
Total Assets	Million Baht	10,052	11,544	10,820	12,416	14,523	14,074
Total Liabilities	Million Baht	9,277	9,664	11,345	12,756	13,832	17,106
Shareholder's Equity	Million Baht	775	1,880	(525)	(340)	691	(3,032)
Financial Ratios							
Operating Profit Margin	%	(20.0)	(12.3)	(17.3)	(19.3)	(9.3)	(20.1)
Net Profit Margin	%	(20.0)	(12.3)	(17.3)	(19.3)	(9.3)	(20.1)
Return on Equity	%	(125.3)	(137.5)	(355.0)	(214.8)	(1,081.6)	(339.7)

Note: ** As of September 30th, 2018, the Company has reviewed the details in former Financial Statement showing aircraft maintenance reserved fund and estimation of planned aircraft maintenance debt separately in order for the Financial Statement to show the balance of such details in the assets and liabilities of the Company.

		Separated Financial Statements		
	Unit	2016	2017	2018
Nok Air Operational Statistics				
No. of Passengers	Million Passengers	8.56	8.78	8.86
No. of Sectors	Sectors	63,915	67,811	67,228
Available Seat Kilometers (ASK)	Million Seat - Km.	6,264	6,822	6,912
Revenue Passenger Kilometers (RPK)	Million Seat - Km.	5,329	5,840	6,127
Cabin Factor	%	85%	86%	89%
Average Air fare (Not included VAT and Airport Tax)	Baht/Passenger/ Sector	1,357	1,465	1,321
Passenger Yield	Baht/Passenger - Km.	2.18	2.20	1.91
Revenue Per Available Seat Kilometers (RASK)	Baht/Seat - Km.	2.02	2.06	1.93
Cost per Available Seat Kilometers (CASK)	Baht/Seat - Km.	2.51	2.40	2.32
Stage Length	Kilometers	623	665	692
On -time Performance	%	89.8	85.6	83.9
No. of Aircraft as Ending of Period				
- (Jet) Boeing 737 - 800 New Generation	Aircraft	22	20	15
- (Turboprop) ATR 72 - 500	Aircraft	2	2	2
- (Turboprop) Q400 NextGen	Aircraft	8	8	8

COMPANY'S MAJOR DEVELOPMENTS

2016 ➔

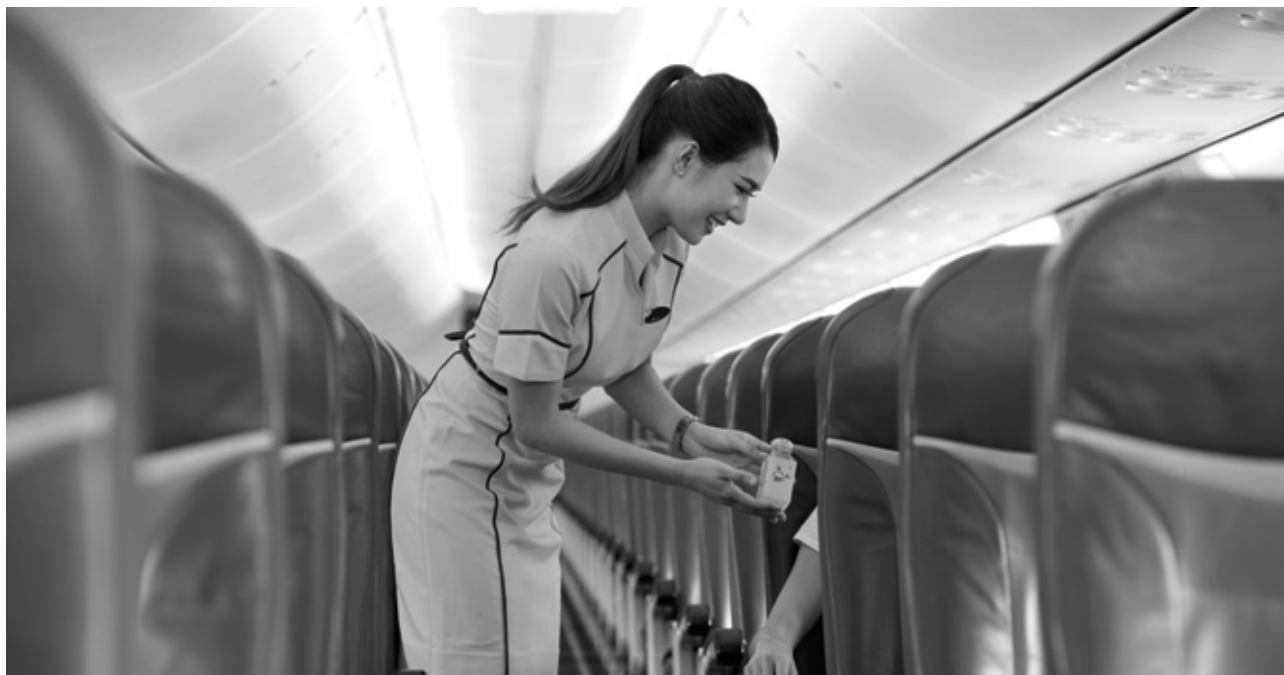
- Was delivered additional three Boeing 737 - 800 aircraft, each in March, August, and November 2016, respectively, and two Bombardier Q400 NextGen aircraft in July 2016.
- Cooperated with alliance airlines within the Asia-Pacific region under "Value Alliance" in order to enhance competitive edge and be able to offer various routes provided by alliance airlines.
- Reduced the shareholding stake in Air Black Box Asia Pacific Pte. Ltd., with registered capital increased from 4 to 5.6 million USD. The shareholders consisted of Nok Airlines PCL, with investment representing 15 percent (decreased from 25 percent), Scoot Pte. Ltd., 15 percent (from 25 percent), ANA Holdings, Inc., 15 percent, Cebu Air, Inc., 15 percent, and VaultPAD Ventures Ltd. (previously named TOD Holdings Co., Ltd.) 40 percent.



2017 ➔



- The new way booking from Nok Air "Choose Your NOK".
- Took the aircraft out of the fleet total four aircrafts, according to the Company's business plan and took the delivery of brand - new aircraft which were two Boeing 737 - 800s Next Generation in June and September 2017.
- Increased the number of Charter flights such as Don Mueang - Nanning, Don Mueang - Yancheng, Don Mueang - Yinchuan, Don Mueang - Zhengzhou, U - Tapao - Haikou, U - Tapao - Yichang and so on.
- Nok Air operates 3 flights per week from Mae Sot to Rangoon, starting on October 29.
- The launch of new five routes under "Fly 'n' Ride service" from and to the nearby destinations where the Company does not directly operate by transferring passengers to the closest airports and transporting via buses to the final destinations.
- Increased the various payment channels in five options to smooth your travel planning, namely BBL Direct Debit, Big C, Rabbit LINE Pay, Rabbit LINE Pay and TESCO Lotus.
- The Company's registered capital and paid - up capital are as follows: Registered capital of 2,499,249,882 shares at par value of 1 Baht per share with total value of 2,499,249,882 Baht Paid - up capital of 2,271,999,764 shares at par value of 1 Baht per share with total value of 2,271,999,764 Baht.



2018 ➔

- Added international routes for many charter flights such as Don Mueang - Yinchuan, Don Mueang - Nantong, Chiangmai - Nanning, Phuket - Nanning, Phuket - Chendu, Don Mueang - Yancheng, Phuket - Xian, Phuket - Hohhot, Phuket - Fuzhou, Phuket - Yichang, Phuket - Hefei, Utapao - Changsha, Utapao - Nanchang, Utapao - Lin Yi, Utapao - Datong, Utapao - Baotou, Utapao - Yin Chuan, Utapao - Mei Sian, Don Mueang - Petchabun, Don Mueang - Yichang, Don Mueang - Mei Sian, Phuket - Changzhou and Phuket - Zhengzhou.
- Operated direct domestic scheduled flights: Udon Thani - Ubon Ratchathani, Don Mueang - Petchabun and Don Mueang - Mae Hongson.
- Added Fly 'n' Ride shuttle service to non-operating destinations for passengers by air-conditioned coach in 4 routes: Sisaket, Petchabun (KaoKor), Chiangrai (Mae Sai) and Lumphun and 7 Fly 'n' Ferry routes to Koh Bulone, Koh Jum, Koh Libong, Rai Lay Beach, Koh Laoliang, Koh Yao Noi and Koh Yao Yai.
- Added more payment channels to passengers through Alipay, WeChat Pay, Union Pay, first QR Payment service in Thailand and 123Myanmar. To facilitate convenience to passengers in purchasing air tickets and payments which will further support the Company sales revenue.
- Thaigroup "Nok Air-Thai Airways" allied in a campaign "Nok Air Changes Smiles to Mileages" upon purchasing Nok MAX and Nok X-tra tickets where mileage points would be eligible with both Royal Orchid Plus (TG ROP) and Nok Point from June 21st, 2018.
- In July 2018, Nok Air joined force with NokScoot in linking longer range routes. Passengers would be able to travel from Chiangmai and Hat Yai to Bangkok and connect a flight to Tokyo or Taipei-Taiwan with only one booking through Nok Air website plus baggage worry-free from a check-through baggage service.
- Nok Air was awarded as Best Low-Cost Airline in Thailand 2018 from Skytrax on July 31st, 2018.
- In August 2018, Nok Air ranked 1 of 5 airlines in Asia with ontime performance of 80% by OAG, the largest global airlines information website.
- The Company increased its registered capital to 2,499,249,882 shares, par value of 1 Baht per share total of 2,499,249,882 Baht with paid up registered capital of 2,271,999,796 shares from the exercise of warrants (Nok-W1) par value of 1 Baht per share total of 2,271,999,796 Baht.

KEY MILESTONES



01 ←

Nok Airlines graciously requested for the Royal permission to provide Nok Air passenger tickets as a contribution for the Aun Ai Rak Khlai Khwam Nao “The River of Rattanakosin” which are received by Air Vice Marshal Suphichai Soonthornbura as the project representative under the Royal permission during 9 December 2018 to 19 January 2019, at Dusit Palace Royal Ground and Sanarnsuepa.



03 ➡

Nok Airlines & NokScoot has jointly extended the route to Japan and Taiwan by one ticket booking through Nok Air website for which our best Check - through service is also provided.



02 ➡

Nok Airlines has been awarded as the Best Low - Cost Airline in Thailand 2018 by the Skytrax Awards 2018.

04 ←

Nok Airlines is one of the top five for 80% on time ASEAN airlines of OAG website ranking, the world's biggest flying information website.



05 ←

Tourism Authority of Thailand (TAT) and allies including Nok Airlines, Thai Airways and Thai Smiles under collaboration of the Thai Group has jointly launched the “Take a Break” campaign.

06 ➔

Increasing 7 flying routes of Fly 'n' Ferry for Koh Bulloan, Koh Jum, Koh Libong, Koh Railay, Koh Loaliang, Koh Yao Noi and Koh Yao Yai.

**07** ➔

Officially opened the route flight of Udon Thani - Ubon Ratchathani for 3 flights weekly.

08 ✈

Increasing 4 routes of Fly 'n' Ride Sri Sa Ket, Phetchabun (Khaokho), Chiang Rai (Mae Sai) and Lamphun.

**09** ✈

Increasing payment channels for passengers. By Alipay, WeChatPay, Union Pay, as the first company in Thailand to accept QR Payment and 123Myanmar.



GENERAL INFORMATION

COMPANY NAME
TYPE OF BUSINESS
HEAD OFFICE

NOK AIRLINES PUBLIC COMPANY LIMITED

Low Cost Airline

3 Rajanakarn Building, 17th Fl., South Sathorn Road, Yannawa,
Sathorn, Bangkok, 10120

REGISTRATION NO.
HOMEPAGE

0107556000094

www.nokair.com

INVESTOR RELATIONS SITE
TELEPHONE

www.nokair.com/investor_relations

0 2627 2000

FACIMILE
COMMON STOCK

0 2285 6944

As of 31 December 2018, the Company's registered capital and paid-up capital are as follows:

Registered capital of 2,499,249,882 shares at par value of 1 baht per share
with total value of 2,499,249,882 baht

Paid-up capital of 2,271,999,796 shares at par value of 1 baht per share
with total value of 2,271,999,796 baht

OTHER REFERENCE

REGISTRAR

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok, 10400, Thailand

0 2009 9000

0 2009 9991

www.set.or.th/tsd

TELEPHONE
FACIMILE
HOMEPAGE
AUDITOR

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

AIA Sathorn Tower, 23rd - 27th Fl.

11/1, South Sathorn Road, Yannawa, Sathorn, Bangkok, 10120, Thailand

0 2034 0000

0 2034 0100

TELEPHONE
FACIMILE

NATURE OF BUSINESS

BUSINESS OPERATION

Nok Air Public Company Limited established on February 27th, 2004 under name Sky Asia Company Limited and changed its name to "Nok Airlines Company Limited" on January 16th, 2006. The Company became a listed company on January 18th, 2013 and common shares of the Company were registered as listed securities and started trading in the Stock Exchange of Thailand on June 20th, 2013.

In 2014 the Company was of the vision to expand our business through launching international routes by joint venture with Scoot Airlines. The Nok Scoot Airlines was then established as the international low-cost flying business to enhance higher competition.

VISION, MISSION AND BUSINESS GOALS

VISION

"To be the Airlines of the Beyond Frontier Innovation while facilitate traveling services for passengers the world over with the best pricing and choices, and forever presenting the Thai traditional value"

MISSION

"Nok Air strives to be the number one choice among low fare airlines in Thailand, providing customers true satisfaction through affordability, reliability, convenience, innovation and care"

However, Nok Airlines is still of the goal to cover the most domestic routes with our commitment to satisfy all passengers by services of high value, trust and safety, aiming to satisfy customer needs of all groups.

The Company has a policy to allocate aircraft in accordance to flight demand for each and every flight route comprising of primary, secondary and feeder routes. As of December 31st, 2018, the Company has 3 passenger service aircraft types, consisting of 15 - Boeing 737 - 800 aircraft, 8 - Q400 Bombardier aircraft and 2 - ATR - 72 aircraft, a total of 25. In addition, the Company has been granted with the investment promotion under the Investment Promotion Act 2017 (and additional amendments) from the Board of Investment (BOI) in a category of public transportation and large products with details and essentials of general benefits, namely

1. Corporate income tax exemption on net profit generated from the consolidated BOI promoted businesses of not exceeding 100% of the investment capital, excluding land and revolving capital. The incentive is given for 8 years starting from the date the business begins to generate income.
2. The right not to include dividend received from BOI promoted projects with corporate income tax exemption into taxable income throughout the corporate income tax exemption period.
3. Exemption of import duty on imported aircraft
4. The right to allow foreign technicians or experts and their spouse and dependants to travel to Thailand and work in the specified position within the timeframe allowed by the Board of Directors.

In providing outstanding services, Nok Air is recognized for its services like free seat assignment, complimentary in-flight drinks and WIFI onboard service (in an aircraft with supporting equipment) and free minimum check-in baggage allowance. (Economy Class)

NOK AIR ROUTE

The Company has provided domestic and international air transportation services under the “Nok Air” brand in a Point-to-Point manner without connecting services, coverage flights to all regions of Thailand. Currently, it is the most domestic route service provider; as of December 31st, 2018, the Company has provided a total of 29 air routes, consisting of 25 domestic routes and 4 international routes, all of which are regular scheduled roundtrip flights of 673 flights weekly.

In addition, in order to expand the route network to international markets, the Company has agreed to accept passenger transportation between the Interline Cooperation Agreements with Scoot Airlines which enables the Company to sell tickets from domestic travel destinations such as Chiangmai, Chiang Rai, Phuket, Udonthani, Ubonratchathani, Nakhon Si Thammarat, Trang and Hat Yai to Singapore. The agreement would facilitate passengers by purchasing a one-time ticket for travel to destinations that shall travel by flights of both airlines.

The Company was corporate with 8 Asia-Pacific low cost airline alliances or “Value Alliance” consist of Nok Air, Nok Scoot, Scoot, Cebu Pacific (including Cebgo Air), Jeju Air, Tigerair Singapore, Tigerair Australia and Vanilla Air which cover more than 160 destinations all over Asia-Pacific region in order to facilitate the passengers.

Nok Air offers flights from its main operation base at Don Mueang International Airport with a focus to service flights on high demand routes as primary routes as well as flights on lower demand but potentially grown routes as secondary routes and feeder routes. This is in line with Nok Air’s competitive strategies.

The Company also provides chartered flights for passengers who wish to travel in groups or to destinations beyond the Company’s regular flight schedules.

REVENUE STRUCTURE

	Consolidated Financial Statement					
	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from Transportation						
Total revenue from transportation	14,762.41	87.15	17,385.99	85.32	16,699.71	84.60
Total Ancillary revenues ¹	1,463.21	8.64	2,186.11	10.73	2,560.12	12.97
Other Revenues						
Interest income	36.61	0.22	23.91	0.12	25.46	0.13
Others	676.09	3.99	780.69	3.83	454.93	2.30
Total Other Revenues	712.70	4.21	804.60	3.95	480.39	2.43
Total Revenues	16,938.32	100.00	20,376.70	100.00	19,740.22	100.00

¹ Ancillary revenues include revenue from travel changes, excessive baggage, ticket booking and payment fee and sales from snacks, drinks and souvenirs.

The Company's main income is from providing air transportation services. In the year 2018, the Company gained revenue from passenger airfare amount of 16,699.71 million baht, representing 84.60 percent. The revenue from airfare mainly came from scheduled flight services which provided domestic and international air transportation services. In addition, the Company and its subsidiaries also gained revenue from chartered flights service which mostly operated from Thailand to the People's Republic of China. The services providing were in addition to regular scheduled flights and emphasized the optimum utilization of existing aircrafts.

In the year 2018, the Company had revenue from providing additional services of 2,560.12 million baht or 12.97 percent of the total revenue. The Company's proportion of revenue from additional services was moderate because of the Company's policy to set the ticket price that cover main services such as baggage allowance and inflight snacks with no additional charge from passengers which considered as an important marketing strategy in providing different services from other low - cost airlines.

Other revenues in 2018 were 480.39 million baht, representing 2.43% of the total revenue. Other revenues consist of interest income, insurance refund, aircraft maintenance refund, including gain on sale and leaseback aircraft and others.

DISTRIBUTION AND PAYMENT CHANNELS

As the airline business's leader in the development of new channels of air ticket sales and payment, Nok Air remains committed to introduce new and innovative channels for ticket reservation and payment to cover the needs of all groups of customers. At present, customers can make a reservation through various channels.

DISTRIBUTION AND PAYMENT CHANNELS TABLE

Distribution and Payment Channels	Website	Website on Mobile Devices	Call Center	Airport Counters	Ticket Agents	Counter Service
1. Cash	✗	✗	✗	✓	✓	✓
2. Credit Cards	✓	✓	✓	✓	✓	✗
3. ATM	✓	✓	✓	✗	✗	✗
4. Counter Service	✓	✓	✓	✗	✗	✓
5. Direct Debit	✓	✗	✗	✗	✓	✗
6. Krungthai Bank Counters	✓	✓	✓	✗	✗	✗
7. Alipay and WeChat Pay	✓	✗	✗	✓	✗	✗
8. Line Pay	✗	✓	✗	✗	✗	✗
9. Apple Pay	✗	✓	✗	✗	✗	✗
10. QR Payment	✓	✓	✗	✓	✗	✗
11. 123Myanmar	✓	✗	✗	✗	✗	✗

WEBSITE AND ELECTRONICS CHANNELS DISTRIBUTION

Website and electronics are the most popular ticket sales channels, accounting for 57.6% of the total ticket sales in 2018. Passengers can book their seats at www.nokair.com and www.nokfanclub.com or on mobile site m.nokair.com. These channels offer the highest convenience and most comprehensive services ranging from checking flight routes, schedules, seat reservation, check-in, ancillary service request and reservation for flight connection. Another important channel is application on smart phone that better address the rapid growth of smartphone users, enabling Nok Air to provide more alternative reservation channels and greater convenience for passengers.

CALL CENTER

Customers can make flight reservation via Nok Air's Call Center 1318 everyday from 6.00 - 24.00 hrs. Nok Fan Club members can also reach special member channel 24 hours. In 2018, Nok Air's ticket sales via Call Center accounted for 2.8% of the total sales. Although the number is small, it is an important channel for customers to request information and communicate their complaint with the Company.

AIRPORT COUNTER

Nok Air's reservation service is available at all airports it operates. As of December 31, 2018, Nok Air has 30 sales offices. The Company earned 6.4% of the revenue from the reservation made via this channel.

TICKET AGENTS

Customers can also buy tickets via registered ticket agents nationwide and in neighboring countries. As of December 31, 2018 total of passenger making ticket representing 42.2% of the total sales channels. Agent booking is efficient for customers who do not have easy access to the Internet or Call Center. Air fare for customers booking with ticket agents is the same as other channels. It is Nok Air's policy to pay commission fee to ticket agents.

COUNTER SERVICE

Counter Service and convenient stores offer convenience for customers to buy tickets easily and quickly. Customers can contact Counter Service in 7-Eleven stores and stand alone Counter Service. As of December 31, 2018, there are 10,000 counter services nationwide. These channels provide Nok Air with more ticket sales channels that address all customer groups' demand 0.7%.

OTHERS

The Company's distribution channels via other channels which are not regular ones include sales through department stores etc., or by sale booth exhibition in various tourism events such as Thai Tiew Thai exhibition, etc.

Started from 2017 onward, Nok Air has increased additional payment channels for passengers including Bangkok Bank's auto direct debit service (BBL Direct Debit), payment channel at Big C Super Center (Big C), Rabbit Line Pay service (Rabbit LINE Pay), Apple Pay channel (Apple Pay), payment channel at Tesco Lotus (TESCO Lotus), Alipay channel (Alipay), WeChat Pay channel (WeChat Pay), through Union Pay card, installment payment service for air ticket payment via credit card and QR code channel to facilitate conveniences to passengers.

OPERATIONS

At present, Nok Air offers a passenger transportation service with the flight operation base at Don Mueang International Airport with its main departments; the Pilot and Crew Center, the Flight Operation Department, the Aircraft Maintenance Department, Quality Safety Security Department and the Customer Service Department. Meanwhile, jet fuel filling is mostly carried out at Don Mueang International Airport thanks to its lowest cost. Fuel is only filled from time to time at a regional airport based on required safety standard.

PRODUCT AND SERVICES

AIRCRAFT ACQUISITION

The Company's policy is to appropriately allocate aircraft with the flight demand for each and every flight route: the primary route, the secondary and the feeder routes. As of January 31st, 2018, the Company's passenger aircraft feet consists of 3 aircraft types which are 15-Boeing 737-800, 8-Bombardier Q400 and 2-ATR 72, a total of 25 aircrafts, all of which are procured through Dry Lease which means only aircraft is leased with neither pilot nor crew. Nok Air's operating lease agreement normally lasts 7 - 12 years.

DETAILS OF NOK AIR'S FLEET AS OF DECEMBER 31, 2018

Type of Aircraft	Number of Aircraft	Capacity (seat per aircraft)	Average Age (year)
Boeing 737 - 800	15	189	4.6
ATR 72 - 500	2	66 - 72	11.6
Bombardier Q400	8	86	3.5
Total	25	-	4.8

Boeing 737 - 800 is a medium-haul narrow-body aircraft with jet engines. The aircraft are required in primary and secondary routes. Meanwhile, ATR 72 - 500 and Bombardier Q400 are small two-engine turboprop aircrafts designed for short-haul flight. Nok Air mostly flies these two aircraft types in secondary and feeder routes to suit modest demands along the routes.

AIRCRAFT UTILIZATION RATE PER AIRCRAFT

As Nok Air aims to maximize its aircraft utilization while ensuring passenger's safety and preventing flight delay that could affect its flight schedules, as of end of 2018, Nok Air had a total of 25 aircraft in its fleet. An average aircraft utilization of all types of aircraft, namely Boeing 737 - 800, Bombardier Q400 and ATR 72 - 500 stood at 10.37 hours per day, 8.15 hours per day and 5.97 hours per day respectively, which aircraft utilization rate per each aircraft may not match its plan and effect on revenue and cost per unit significantly. Which aircraft utilization rate per each aircraft may not match its plan and effect on revenue and cost per unit significantly.

AIRCRAFT MAINTENANCE

Focusing at passenger's safety, Nok Air underlines a perfect flight-ready condition of its aircrafts under the check-up and maintenance criteria of Civil Aviation Authority of Thailand (CAAT), the US Federal Aviation Administration (FAA) and the European Aviation Safety Agency (EASA). As full-service aircraft maintenance and repair is capital-intensive and requires specialized technicians, as of December 31, 2018, Nok Air possessed transit check and daily check permits as well as the A-check and Light maintenance permit but it had no maintenance facility of its own to conduct heavy maintenance. Nok Air hired the third-party service provider with aircraft maintenance expertise and facility as well as CAAT and FAA or EASA accreditation to plan its maintenance and to repair and maintain its aircrafts.

PROCUREMENT OF PARTS AND SPARE PARTS

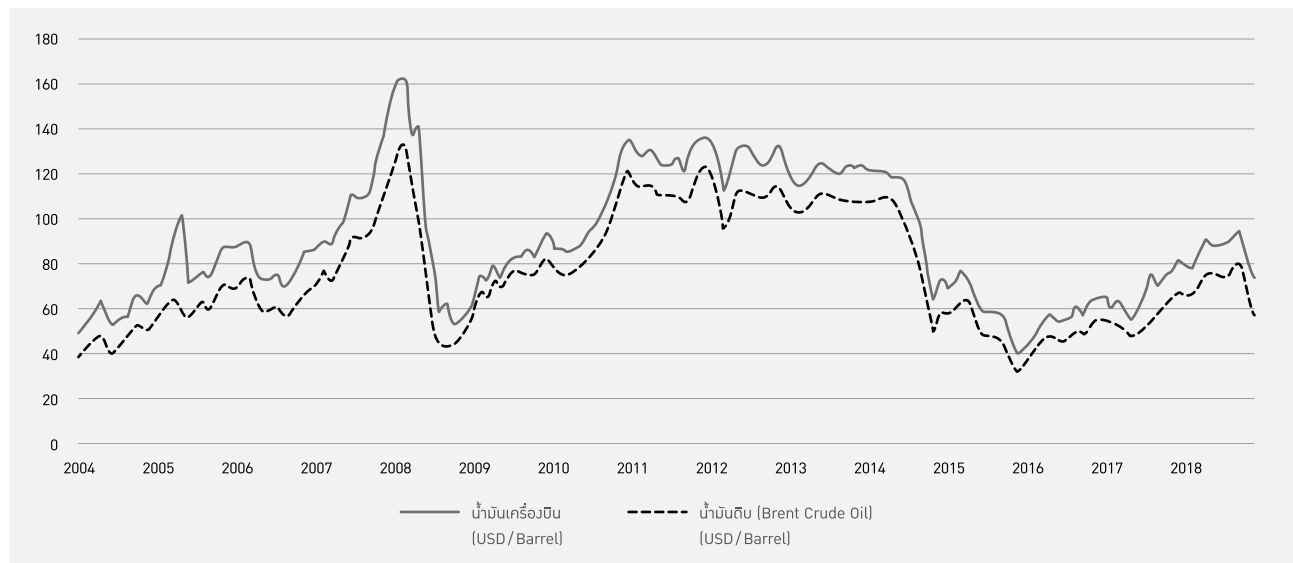
Lufthansa Technik AG is the spare part provider for Nok Air who not only sources aircraft spare and pool parts but also plans maintenance schedules for its aircrafts as stated in the contract. Nok Air considered factors such as an ability to plan maintenance schedules and source spare parts as well as related expenses and experience when selecting a spare part service provider.

Besides, Nok Air sourced out other spare parts on its own for some routine and non routine job to reduce related cost. Spare parts are stored at the warehouse at Don Mueang International Airport.

PROCUREMENT OF FUEL

Fuel was Nok Air's major expenses in 2018 as it accounted for 25% of the total service costs. Nok Air buys fuel directly from The Shell Company of Thailand Limited and PTT Public Company Limited. In 2018, the Company ordered fuel totaling more than 30% of its total fuel costs from a single supplier as the supplier offered a better deal. However, Nok Air did not exclusively rely upon this supplier and it did not have a policy to continue buying fuel from an exclusive source if terms and conditions as well as price wasn't better than others as Nok Air was always able to buy fuel from any distributor. However, by sourcing fuel from the world-class oil supplier, Nok Air was able to procure enough fuel at a reasonable price.

BRENT SPOT PRICE 2004 - 2018



Source: Thomson Reuters, report for the year ended December 31, 2018

Due to the high volatility of oil prices in 2018, the Board of Directors therefore approved the Company to enter into a contract for a service of risks preventing from oil price fluctuations with Thai Airways, which was a part of the Thai Group policy. The Company's policy in risk preventing of oil price fluctuations would be covered for a period not more than 24 months by specifying the proportion of hedging between 20-50 percent of the amount of oil consumption per month or partial risk insurance (Partial Hedge) which has been a hedging contract with Thai Airways. In accordance with the Company's risk management policy of oil price as mentioned, the flexibility for the Company in managing revenues and costs would be enhanced. This also resulting in the Company's adjustment in selling price of the airfare only for parts that have not been sold to compensate the impact of partial oil prices. This serves as a consistence with the Dynamic Pricing policy or the configuration of multiple ticket yields and the period of advance ticket sales of the Company.

In general, Nok Air's aircrafts will mainly have their tanks filled at Don Mueang International Airport as there are a lot of distributors there which allows the firm to procure fuel at a lower price than it filled in other provinces where a single supplier is usually found. Fuel suppliers who deliver their jet fuel at Don Mueang International Airport usually use the service provided by Bangkok Aviation Fuel Services Public Company Limited ("BAFS"), the single provider allowed to provide a fuel-filling service at Don Mueang International Airport, to store and fill aircraft fuel tanks.

AIRPORT SERVICES

Nok Air offers both ground service and ground support service to its passengers on its own by renting major equipment at various domestic airports such as check-in counter and aerobridge. However, Nok Air also hires the third party with expertise to handle check-in passenger belongings between airport and aircraft as well as to provide transfer buses from gate to aircraft, airstair and cargo management.

CATERING SERVICES

Nok Air provides beverages to passengers by changing all of products image from packagings by concerning the standard of products's qualities for building satisfaction toward passengers.

- **Hot Meal Service:** The Company provides inflight hot meal service in order to serve passengers' choices of various menus and tastes both in Thai or international style. For convenience of selecting to use the service, passengers can process food orders 24 hours in advance before departure in all sales channels of Nok Airlines Company. Hot meal service would be available in flights operated on aircraft type of 737 -800 only.
- **Drinking Water:** The Company concerns the convenience in traveling. So, the size has been increased from 100 ml. to 150 ml. and changed the packaging of bottle that convenient for drinking and carrying.

INSURANCE

Nok Air has bought aviation insurance in accordance with the practices of the international aviation industry. All Nok Air's aircrafts are insured with an insurance firm in Thailand who then reinsures them in the overseas reinsurance market based on the aircraft insurance industry's international practices.

QUALITY, SAFETY AND SECURITY POLICY

NOK will maintain an active quality, safety and security management system with an overall purpose of the proactive management of identifiable hazards and their associated risks with the intent to eliminate their potential for affecting aviation safety, and for injury to people and damage to equipment or the environment. To that end, we will continuously examine our operation for these hazards and find ways to minimize them.

The International Civil Aviation Organization (ICAO) visited Thailand in 2015 to audit the country's aviation standard. The audit showed various areas that required immediate improvement as recommended by ICAO

However, in 2017 Nok Air has passed the inspection and already has been received AOC Re-certification by the International Civil Aviation Organization (ICAO).

NOK will ensure that adequate resources and funding are provided to fulfill all quality, safety and security requirements and all employees must comply with this quality, safety and security policy. Managers and supervisors are accountable for practical safety management implementation and continuous improvement, including establishment of competency requirements, education and training of personnel, as well as making the required tools and equipment, workspace, support services, transportation and communication available for staff to use. Everyone is held responsible for quality, safety and security performance, as this quality, safety and security performance will be an important part of our management/employee evaluation system. We will recognize and value quality, safety and security performance. We will make everyone aware of the quality, safety and security rules and processes as well as one's personal responsibilities to observe them.

NOK personnel performing quality, safety and security related work must be physically and mentally fit for duty. Staff shall be encouraged to be service-minded, quality-safety-security conscious, and proactive in correcting any weaknesses in regard to quality, safety and security within their own areas of responsibility.

NOK staff will openly communicate information about safety incidents and will share the lessons learned with others. Each of us will be concerned for the safety of others in our organization, and each is encouraged to report any problems or weaknesses in quality, safety and security management in confidence to our superiors for corrective action, without fear of punishment or retribution. Honest human errors are accepted as part of human nature, but reckless, deliberate violations of rules and established procedures are not condoned. NOK will maintain a formal written quality, safety and security goal, and we shall ensure that everyone understands and accepts that goal. In addition, all staff shall be encouraged to participate in developing quality, safety and security standards and procedures. We will involve relevant staff in the decision-making process.

NOK management will ensure that regular quality, safety and security audits are conducted. Corrective actions as well as their effectiveness in improving operational performance are analyzed and followed up. Quality, safety and security metrics and performance indicators will be regularly reviewed and used to evaluate our quality, safety and security performance.

Only permanent NOK staff will be given responsibility for quality, safety and security oversight duties. In other words, the responsibility for quality, safety and security oversight cannot be out-sourced to other agents acting on behalf of NOK. NOK will ensure that externally supplied systems and services that impacts upon the quality, safety and security of our operations meet appropriate quality, safety and security standards.

NOK relations with all Authorities concerned shall be regular and active, and our performance shall be continuously monitored, evaluated, and improved. NOK will comply with and, wherever possible, exceed legislative and regulatory requirements and standards.

RELATIONSHIPS WITH THE BUSINESS GROUPS AND MAJOR SHAREHOLDER

NOK AIR IS INDEPENDENT FROM THAI AIRWAYS

At present, Nok Air's business framework and management are independent from Thai Airways. Nok Air has its own systems including management, reservation, check-in and accounting. In addition, Nok Air imposed policy on renting of aircrafts from other aircraft renters. As of December 31st, 2018, 25 aircrafts were rented from foreign aircraft renters.

Air ticket reservation and payment is the main system of airlines. Nok Air has its own system which is different from Thai Airways' system. In addition, Nok Air has its own cockpit crew and cabin crew training programs as well as air crew training experts.

Nok Air's service features are also different. Thai Airways, which is Nok Air's major shareholder, operates full ranges of airline business by emphasizing on service, airline alliance and passenger's convenience. Nok Air is a low cost carrier emphasizing on passengers who give priority to air ticket prices and accept limitations of service such as the weight limits for baggage or fee charged in case of changing flight. Moreover, Nok Air does not require for the airport that has many flight routes linked to other airports. In other words, Nok Air's major business factor as its service is to provide passengers transportations from point to point.

However, the cooperations among Nok Air, Thai Airways and Thai Smile Airways in 2018 as Thai Group in providing codeshare flights routing Don Mueang - Mae Hong Son in order to increase passenger's conveniences and progress into the region including the co-campaign between Nok Air and Thai Airways with the extra program of "Nok Air Changes Smiles to Mileages" which enables as well the mileage accumulation on the Royal Orchid Plus (ROP) of Thai Airways when travelling on Nok Air have multiplied benefits for passengers. Nok Air requested collaboration from Thai Airways for fuel supply, insurances and risk management of fuel price to enhance profit maximization of the Company.

Nok Air's business approaches as mentioned above facilitate its independent business management without requiring for dependency on Thai Airways at the present and in the future.

NOK AIR'S BUSINESS INDEPENDENCE

Considering the similar nature of business of Nok Air and its major shareholders, Thai Airways International, as its major shareholders, Nok Air's management and other major shareholders have drawn a clear direction and framework for business management and operations to assure business independence and clarity as follows:

SHAREHOLDING STRUCTURE

Although Thai Airways International holds 21.80% stake, it is not the only one major shareholder who has absolute voting rights. After being listed on the Stock Exchange of Thailand, Nok Air has other major shareholders and individual shareholders. This provides for the check and balance system for Nok Air to maintain independence in its operations.

BOARD OF DIRECTORS' STRUCTURE

Thai Airways International can send no more than three representatives to be Nok Air's directors out of the airline's total 12 directors. In addition, all representatives from Thai Airways International in Nok Air's board also have the responsibility according to the Section 80 of the Public Company Act requiring that directors with interest in a matter may not vote in such matter. All members of the Board also have the responsibilities

under Section 85, 88/8, 88/9 and 88/10 of the Public Company Act which specify that directors shall perform their duties in compliance with laws, objectives and the Company's regulations as well as resolution of the shareholders' meeting with integrity and honesty for the best benefits of the Company. Directors are required to perform their duty with responsibility and shall not take any action that may cause conflict of interest with the Company, protect shareholders' right and ensure shareholders receive fair treatment and perform all their duties for the mutual benefits of all stakeholders. In accordance with such requirement, directors who are representatives from Thai Airways International have to perform their duties with careful consideration and for the best interest of Nok Air and not for personal or Thai Airways International's benefits.

MANAGEMENT STRUCTURE

Nok Air's management structure is independent from Thai Airways International. The Chairman of the Board and all executives are not representatives of Thai Airways International.

INTERNAL INFORMATION SHALL NOT BE DISCLOSED FOR THE BENEFITS OF OTHERS

In addition to the conflict of interest preventive measures deployed to ensure its independent business, the prevention of internal information usage is one of necessary measures expressing that Nok Air commits to conduct business in accordance with the principles of good corporate governance.

Nok Air imposes the prevention of internal information usage policy that does not allow its directors, executives and employees or its former directors, executives and employees to disclose the internal information or Nok Air and its business partners' confidential information to others (for 1 - year period after resignation) although such disclosure of information will not cause damage to Air and its business partners. Its directors, executives and employees shall use the internal information of the benefits of Nok Air only. Additionally, they shall not disclose Nok Air's confidential and/or internal information to companies of which they are holding shares or taking position as directors, executives and employees.

Moreover, all Nok Air's directors are having responsibilities in accordance with the Securities and Exchange Act; Section 89/11, Section 89/12 and Section 89/13 prescribing that directors or related persons shall not use the Company's information for their financial benefits other than the normal income or causes damage to the Company by using the Company's information.

Therefore, Nok Air's directors are obliged to keep its internal information secured and shall not disclose to third persons and/or Thai Airways.

In case Thai Airways' representative directors disclose Nok Air's internal information to Thai Airways, it is deemed violation against Nok Air's policy and the Public Limited Companies Act. Thus, Nok Air's shareholders for not less than 5% are able to exercise their right to claim for damages from such representative director and discontinue transaction that causes damages including dismissal of such representative director. Subsequently, Nok Air's directors shall maintain and undisclosed the internal information.

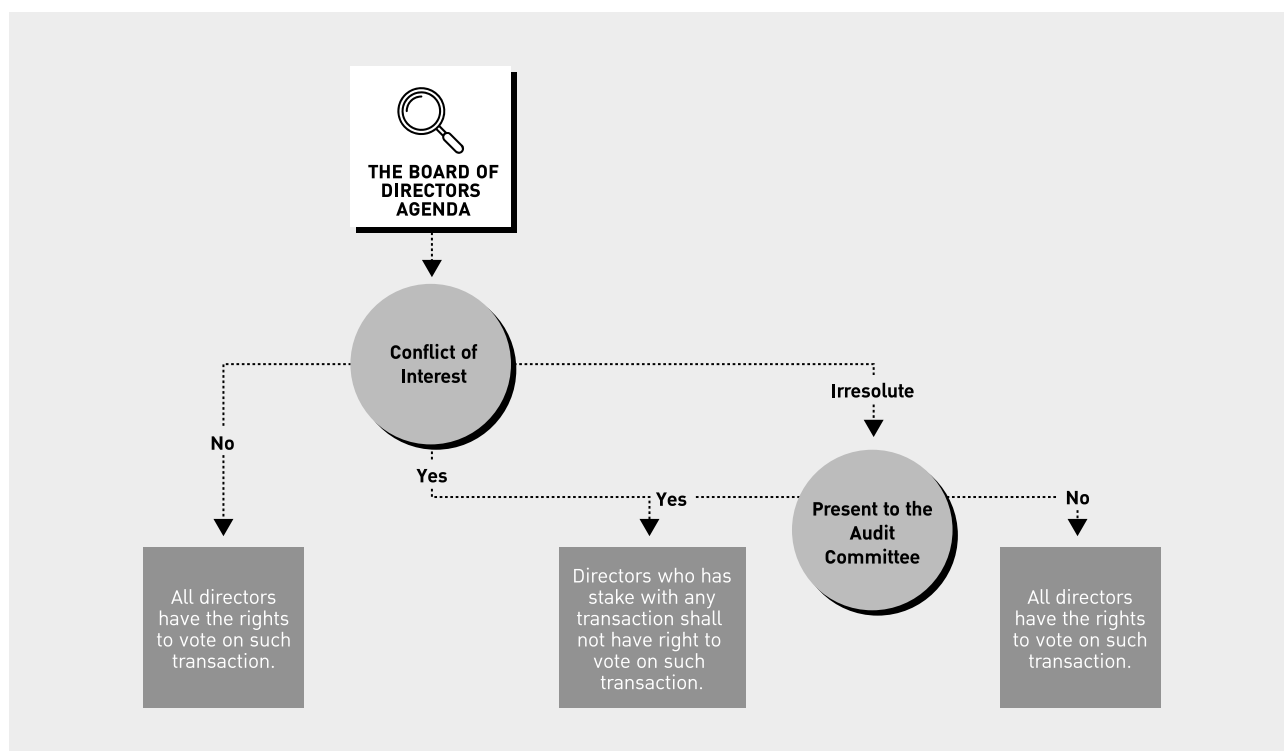
THE PREVENTION OF CONFLICT OF INTEREST POLICY

Nok Air imposes the Prevention of Conflict of Interest Policy to facilitate its independent business and ensure that every transaction is done for the maximum benefits of the Company only. The policy prescribes that related person or person who has stake with the any transaction shall notify the Company regarding his/her relation with or stake of such transaction. Moreover, such person shall not involve in a decision making related to such transaction nor has authority to approve such transaction.

Additionally, the directors and executives shall propose agenda that may cause conflict of interest between the Company and its major shareholders to the Audit Committee for consideration

firstly. If the Audit Committee considers on the following: 1) connected transaction; the Audit Committee shall propose to the Board of Directors to proceed in accordance with the Notification of the Securities and Exchange Commission regarding Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company B.E. 2546 or 2) if such issue is in the scope of conflict of interest, the Audit Committee shall notify the Board of Directors for acknowledgement on such potential conflict of interest including name list of directors, who may have conflicts of interest in order that the Board of Directors and such directors will proceed strictly in pursuant to Section 80 of the Public Limited Companies Act.

In case the executive or director has opinion on any transaction that it is obviously in the scope of connected transaction or conflict of interest and intend to comply with the Notification of the Securities and Exchange Commission regarding Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company B.E. 2546 and/or Section 80 of the Public Limited Companies Act regarding abstention of director, who has both direct and indirect stake, such executive or director may propose such agenda directly to the Board of Directors without requiring for the Audit Committee's opinion.



MARKET AND COMPETITION

CURRENT COMPETITIVE CONDITIONS

At present, flight routes in Thailand are in highly competitive situation especially competitions from full-service airlines, low-cost airlines and chartered flights including the entry of new low-cost airlines. And moreover, the low-cost airline business is engaging to leverage the potential competitiveness which has broadened the higher of contentions in the market share more than before.

DOMESTIC ROUTE

The main competitors in Nok Air's domestic route are Thai Air Asia and Thai Lion Air, all of which 3 airlines are low-cost airlines that focus on service flights between point to point and are the main airlines driving domestic route market. However, there are still competitions as well from full-service airlines that have the same flight routes such as Thai Airways, Bangkok Airways and Thai Smile Airways.

Throughout the past period, the Company has continued to develop domestic flight routes in order to increase passengers' conveniences. But due to the current high competitive aviation situation in conjunction with the Company's adjustment of number of flights in the year 2018 in order to accommodate the users' needs of service, flights reduction on certain routes, to suit the market competition, as Don Mueang - Phuket, Don Mueang - Krabi, Don Mueang - Ranong and flights suspension on service routes that require less traffic such as Utapao - Udonthani - Ubolrajathani and Don Mueang - Petchboon had been executed. At the same time, the Company has increased frequency of services in the current flight routes to meet the needs of increasing traffics from the users as well, for example Don Mueang - Chiangmai, Don Mueang - Maisod routes etc. As of December 31st, 2018, the Company has 636 roundtrip flights per week.

INTERNATIONAL ROUTE

For international route, the Company provides Point to Point services to Myanmar, namely Don Mueang - Yangon and Vietnam, namely Don Mueang - Ho Chi Minh, Don Mueang - Nanning and Phuket - Chengdu. In addition, many chartered flights to China are also available. As of December 31st, 2018, the Company has a figure of 54 roundtrip flights per week with the main competitor of Nok Air on the international route, still being low cost airlines who operate on such same routes.

Nok Airlines belongs to the world's first low-cost airline group (Value Alliance), thus the Company has an advantage over other airline companies in the same business in terms of a strong affiliate network and varieties to meet the needs of customers effectively with the coverage of both domestic and regional area.

FUTURE COMPETITION TRENDS

Over the passing years, full-service airlines gradually lost their market shares to low-cost airlines because they were unable to compete against the airfare price. Moreover, the increase of new generations and changes of travel behaviors including the development of technology to be more modern have caused the trend of low-cost airline business to gain more passengers using additional services in the future.

In accordance with government's policy to stimulate the economy and promote tourism with the increasing of confidence and reliability of the aviation business of Thailand and from the International Civil Aviation Organization (ICAO) announcement to uplift the red flag for Thailand on October 7th, 2017, together with the Government strategy which plans for the aviation industry to be a main projectile in pushing the Eastern Economic Corridor Project - EEC through the Aerotropolis with the utilization of U-Tapao International Airport, Rayong and Pattaya to serve as the air transportation hubs, all of these have enabled the expansion amount of traveling in and out of Thailand continuously, as a result, the aviation situation of Thailand is growing and there are more intense competitions among airlines due to the opening of new routes operations.

From Airports of Thailand Public Company Limited's data in the last 12 months (January - December 2018), they were showing the number of Aircrafts Movement from main airports that Suvarnabhumi and Don Mueang had grown 5.8 percent from the same period of last year with the steady growing of international air traffic volume. Suvarnabhumi Airport had a growing of 6.93 percent increasing on international flights and 0.30 percent on domestic flights from the same period of last year. And for Don Mueang Airport, the international flights had increased by 15.49 percent and domestic flights by 2.07 percent, growing from the same period of last year. These statistical data is indexing to the growth of the aviation business especially the growth of the international routes.



Meanwhile, the growth of domestic routes is likely to be declined which complies with the limitations of Time Slot and airport capacity. From the Civil Aviation Authority of Thailand resourceful data, the current airport capacity (NAC Chart) for both the summer and winter flight schedules in some airports at certain times had reached their full capabilities such as Don Mueang International Airport, Phuket International Airport and Chiangmai International Airport, etc., coupled with the number of passengers that exceeded the airport's capacity to accommodate resulting in the not-easy increasing of frequency and route expansion.

However, the Company has monitored the situation and related factors in order to adjust the strategy to keep up with all events and behaviors of customers that change continuously on capacity to strengthen, enhance the potential and efficiency of the competition and provide better services to create a good image and maintain the position of a leading airliner.

Notwithstanding, the Company foresees that there are still positive factors that are opportunities for Thailand to be able to expand to its potential and continuous growing market on capacity of a suitable hub to connect to cities in ASEAN and nearby regions.

RISK MANAGEMENT POLICY

Nok Air Public Company Limited is committed to conduct risk management in order to connect with concrete integrated strategies throughout the organization in accordance with international best practices as a management tool in preventing and reducing potential losses including the use of opportunities to generate more benefits and seek business returns whereas the expectations of all stakeholders have been responded in a balanced manner which will lead to good corporate governance system for sustainable development, as such the risk management policy is set as following:

1. Prescribing that risk management is to be the responsibility of executives and employees at all levels who must be aware of the risks that exist in their work and the Company with mechanisms to manage and supervise various risks at a sufficient and appropriate level.
2. Framing and reviewing the risk management process to meet good standards for the Company in order to be able to manage risks that may affect the business operations of the Company efficiently.
3. Providing risks assessment in various areas in order to prepare supportive plans to the risks that may significantly affect the business operations of the Company so this will allow the Company to be able to operate the business as targeted.
4. Allowing the implementation of information technology to support and manage the organization's risk management system appropriately and in a timely manner.
5. Conserving plans and activities in order to encourage executives and employees at all levels to access information sources of risk management information thoroughly and participating in various activities include the instillation of risk awareness for employees as well as promotion of a sustainable culture in the organization.



RISK FACTORS

Nok Air Public Company Limited is committed to conduct business with stability, safety and efficiency emphasizing on high importance to the risk management of the organization by establishing a Risk Management Policy which is consistent to the principles of good corporate governance and international standards for executives and employees at all levels to adhere to as a guideline.

The Company has defined the structure of risk management by appointing risk management committee, risk management subcommittee and the working group on risk management at various levels including the establishment of a risk management unit to monitor and supervise systematically and continuously to ensure that risk management operations are effective throughout the organization.

In 2018, the Company has followed up and reviewed the risks at the corporate level including created a risk management plan to reduce the impact that may occur and affect the achievement of the objectives or goals of the Company. All stakeholders both internal and external of the organization would also be assured that the Company will be able to drive the organization with maximum efficiency, achieve objectives and goals, create more value and continue towards sustainable growth of the business.

01 STRATEGIC RISK

INSTABILITY OF TOURISM MARKET

Business of the Company is, in general, the same as the aviation business which has a direct relationship with tourism industry. Therefore, if the tourism industry slows down due to various factors both domestic and international changes, it would affect directly and indirectly towards the general aviation business as well as the Company which could be analyzed as follows:

- **Thai Tourists Group**

Several factors from economic and social changes, interesting, spending access to various information including the transportation policy of the government sector that has continuously developed in transportation and logistics, expanding of the highway network to connect numerous major routes, adding of special highway routes between cities, including the high-speed rail project planned to be opened for public services in the next few years, all of these will lead to competitions and significantly affect the aviation business.

- **Foreign Tourist Groups**

The government's tourism policy plays an important role

in linking all sectors on capacity of presenting tourist destinations, Thai cultural and food activities, including access to various information in order for foreign tourists around the world to know more about Thailand. In the past, Thailand had a large proportion of tourists from East Asia such as Japan, China, Hong Kong, Taiwan and South Korea.

Thus, these factors of fluctuations in the tourism market and the related number of tourists are unavoidable and can be occurred at any time. As a matter of fact, the aviation business needs to rely mainly on the tourism market, the sustainable growth strategy of tourism must not be too relied on the old markets, both domestic and foreign markets, especially on the occurrence of political events, accidents, disasters and insecurities of any matter which will greatly affect the confidence of foreign tourists and may result in a significant decrease in configuration of travelling passengers to Thailand. The Company has been well aware of these alert signals, the management, therefore, has more guidelines to increase domestic flights and seeking for opportunities in new routes with potentials such as Japan, China and India in order to diversify risks and reduce the effects of various instabilities and uncertainties.

02 OPERATIONAL RISK

CYBER THREATS

Information technology and internet systems play very important role to the business of the Company especially website system, reservation system and check-in system in which the Company uses such services from external service providers. However, the Company maintains preventive measures in the event the system is caused by the using services from external service providers with a backup of daily data and a disaster recovery site has been established in case problems arise, the backup data stored at the disaster recovery site can be substitutable utilized immediately.

In addition, the Company has installed a backup network in the event that there is a problem with the communication on the main network, as such the communication between the Company and the external system will remain operate smoothly and does not affect the business. Moreover, the Company has also established measures to prevent violations of information leaking, confidentiality of customers who reserve seats to be illegally used by designing a system to prevent intrusion from illicit persons and cyber threats. Data encoding in accordance with the standard, intrusion testing to seal defects annually and collecting details of access to the system according to the Computer Act in all respects are also included.

AVIATION STANDARDS OF SAFETY PROCEDURES

The aviation industry is under the supervision of safety and international aviation standard procedures. The Company recognizes and underlines priority to maximize safety and complies with international maintenance standards. The Company has hired a skilled external service provider with high experience and credence in the global aviation industry certified by the European Aviation Safety Agency (EASA) or the US Federal Aviation Administration (FAA) and the Civil Aviation Authority of Thailand (CAAT) to take care of planning and maintenance of aircrafts for the Company. In addition, the Company has sufficiently employed personnel who are responsible for strict monitoring of the aircrafts' maintenance checkup routine in accordance with the criteria and to support the amount of aircrafts and current flights.

DENPENDENCY ON AVIATION PROFESSIONAL

Aviation business obtains great need in relying on professional personnel with knowledge, capabilities and expertise in the field. The qualified and efficient personnel are an important asset to push forward the operation of the business to further progress and sustainable growth.

The Company is well aware of such human resource factors and has prepared to keep up with the risks that might occur by investing in personnel trainings to edge the knowledge and expertise through various internal and external practice of the organization. This including the promotion of career paths for employees to grow equally with succession planning, promotion and talent management programs etc. The Company is also conducting welfare surveys among the same businesses in order to be suitable and be able to compete in labor market which currently is in high competition resulting in a reduce of such risks for the Company.

03 FINANCIAL RISK

FUEL PRICE FLUCTUATION

Fuel for aircraft is a main important raw material in the business of the Company. Oil prices may fluctuate over time depends on numbers of factor such as market demand, economy and global politics and foreign exchange rates, all of which are unable to be accurately controlled or predicted. Besides, the Civil Aviation Authority of Thailand has not allowed the Company to collect fuel surcharges or other fees separately from the airfare of regular scheduled domestic passenger flights, including restriction of the higher passenger fare. Furthermore as practice in general airline business operations, the Company will sell the ticket in advance before operating the flights, therefore, if the oil price rises, the efficiency of earning will be affected. However, the Company has realized the importance of procurement and management of fuel costs and to reduce and diversify risks, the Company then has partnered with Thai Airways International Public Company Limited to be an ally in managing fuel supply risk with the supplier company.

FOREIGN EXCHANGE RATE FLUCTUATION

As revenues and expenses of the Company are in foreign currencies, therefore a preventive policy to cover risks from exchange rate fluctuations has been set with clear objectives by having a risk prevention ratio and the duration of entering into the appropriate contract at each time of the operation to prevent the exchange rate risk of the Thai baht against foreign currency and always considering in accordance with the direction and volatility by close monitoring of exchange rate risks at all times.

MAINTAINING LIQUIDITY AND STABILITY IN BUSINESS OPERATIONS

During the year 2018, the Company was affected by many external factors, such as competition in the price of passenger airfare of low-cost airlines, the decline of tourists from some countries and the price of oil costs was rising higher according to the world market price, etc. Together with the fact that income of the airline business is fluctuated based on the tourism season, the Company therefore focused on the importance to controlling liquidity to be at an appropriate level and sufficient to meet current and future financial needs with the preparation and provision of reserved fund for the demand of seasonal fluctuations, the preparation of business plan to maintain the Company's performance, the preparation of business plans to reduce costs and expenses in the long term as well as the preparation of cash flow estimates for advance operations and liquidity management under different circumstances.

04 COMPLIANCE RISK

COMPLIANCE AND MAINTENANCE OF LICENSES / CERTIFICATES IN ACCORDANCE WITH THE REGULATIONS RELATING TO THE AVIATION BUSINESS

Business operation of the Company requires permissions from the government. In addition, it must be complied to rules of other related regulations and such conditions are not under the control of the Company. Therefore, any changes in the interpretation of rules or new legislation or regulations may cause an ongoing impact on the business of the Company. Documents and factors relating to flight permission are consisting of:

- Air Operating License

The Company has been granted Air Operating License (AOL) to operate air commercial business both domestic and international routes from the Ministry of Transportation.



- Air Operator Certificate

The Company has received Air Operator Certificate (AOC) from the Civil Aviation Authority of Thailand.

Since the establishment of the Company in 2004, the Company had been granted the renewals of licenses and certificates continuously, in addition, there has never been any violation against the rules and regulations of the government. Relevantly, the Company is confident to be able to continue the renewal of the license and the certificate.

- Traffic Right

In each flight operation, both domestic and international, the Company must be allocated traffic right to fly over that route from the Ministry of Transportation. Such traffic rights are granted in perpetuated unless the Company is able to operate any routes continuously for more than 1 flight timetable (approximate 6 months), the government reserves the right to revoke the flight traffic rights on that route. However, the Company has a policy to strictly comply with the regulations or laws of each country in order to reduce the risk of being revoked of various licenses.

CAPITAL STRUCTURE AND MANAGEMENT

As of December 31, 2018, Nok Airlines Public Company Limited has registered capital of 2,499,249,882 shares with a par value of 1 baht each, totaling 2,499,249,882 baht. Paid-up registered capital 2,271,999,796 shares with a par value of 1 baht each, totaling 2,271,999,796 baht. The Company has listed ordinary shares in the Stock Exchange of Thailand in the Transportation and Logistics Service Group Industry category by using the securities symbol "NOK".

SHAREHOLDERS

As of December 31, 2018, Nok Air's top ten major shareholders were as follows:

Shareholders	No. of Ordinary Shares	
	No. of Ordinary	Shares (%)
1. Mr. Nuttapol Jurangkool	540,060,809	23.770
2. Thai Airways International Public Company Limited	495,390,721	21.804
3. Mr. Thaveechat Jurangkool	428,552,884	18.862
4. Mrs. Hatairatn Jurangkool	283,726,382	12.488
5. Dr. Tham Chirathivat	11,600,000	0.511
6. Mr. Patee Sarasin	11,500,000	0.506
7. Mr. Somkiat Chinthammit	10,966,000	0.482
8. Mrs. Piriya Apitnotai	10,392,400	0.457
9. Mr. Sudhitham Chirathivat	10,036,800	0.441
10. Mrs. Manthana Julsen	8,765,600	0.385

ISSUING OF OTHER SECURITIES

The Company received a resolution from the 2017 Annual General Meeting of Shareholders on April 19th, 2017 which approved the issuance of warrants to purchase ordinary shares of the Company No. 1 (NOK-W1) ("Warrants") not more than 156,250,000 shares. The Company offered to sell the warrants together with the offering of the newly issued ordinary shares to the existing shareholders proportionately without charge in the ratio of subscription to new ordinary shares 4 new ordinary shares per 1 unit of warrants. And 1 unit of warrant can be converted into 1 ordinary share at the exercise price of 5.00 baht per share by specifying the date for the first exercise of the warrants to purchase the Company's ordinary shares on September 30th, 2017 and for the last exercise date of the warrants to purchase the Company's ordinary shares on May 29th, 2020.

DIVIDEND PAYMENT POLICY

Nok Air's policy is to pay its dividend to shareholders at a rate not lower than 25% of its net profit based on the Company's financial statements after deducted corporate income tax and after deducted statutory reserves each year. In each dividend payment, Nok Air will consider dividend payment from various factors to maximize shareholders' interest which will include, among a few, its performance and financial status as well as an investment plan in each period as deemed appropriate by the Board of Directors. The dividend payment meanwhile must not materially affect the Company's normal operations.

BOARD OF DIRECTORS

As of December 31, 2018, Nok Air's Board of Directors comprises a total number of 11 directors who represented various groups of shareholders and the third party as follows:

Name	Position
1. Mr. Prasert Bunsumpun ⁽¹⁾	Independent Director / Chairman of the Board / Chairman of Executives
2. Mrs. Naline Ngamsetthamas	Director / Member of the Executive Committee
3. Mr. Pravej Ongartsittigul	Director / Member of the Executive Committee / Acting Chief Executive Officer
4. Mr. Sumeth Damrongchaitham ⁽²⁾	Director
5. Mr. Wiwat Piyawiroj ⁽³⁾	Director
6. Mr. Rathapol Bhakdibhumi	Director / Member of the Nomination and Remuneration Committee
7. Mrs. Chiraporn Chemnasiri	Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee
8. Mr. Apichart Chirabandhu	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee
9. Mr. Visit Tantisunthorn	Independent Director / Member of the Audit Committee / Member of the Risk Management Committee
10. Mr. Chavalit Uttasart ⁽⁴⁾	Director
11. Mrs. Heather Mary Suksem (OBE) ⁽⁵⁾	Independent Director / Member of the Corporate Governance Committee

Ms. Sunun Witthawatpongton serves as the Company Secretary.

Note:

- (1) Mr. Prasert Bunsumpun was appointed an Independent Director, the Chairman of the Board replacing Mr. Sommai Phasee, effective from February 26, 2018 and the Chairman of Executives replacing Mr. Pravej Ongartsittigul, effective from August 27, 2018.
- (2) Mr. Sumeth Damrongchaitham was appointed a Director replacing Mrs. Usanee Sangsingkeo, effective from December 21, 2018.
- (3) Mr. Wiwat Piyawiroj was appointed a Director replacing Mr. Teerapol Chotichanapibal, effective from September 13, 2018.
- (4) Mr. Chavalit Uttasart was appointed a Director replacing Mr. Patee Sarasin, effective from February 15, 2018.
- (5) Mrs. Heather Mary Suksem (OBE) was appointed a Director replacing Mrs. Suphaje Suthumpun, effective from May 10, 2018.

AUTHORIZED DIRECTORS WHO MAY SIGN ON THE COMPANY'S BEHALF BASED ON ITS CERTIFICATE OF INCORPORATION

As of December 31, 2018, Nok Air has authorized directors who are authorized signatories; namely, two out of the following six directors who may co-sign a document to be affixed with the Company's seal.

1. Mr. Pravej Ongartsittigul
2. Mrs. Naline Ngamsetthamas
3. Mr. Chavalit Uttasart
4. Mr. Rathapol Bhakdibhumi
5. Mr. Wiwat Piyawiroj
6. Mr. Sumeth Damrongchaitham

Roles and Responsibilities of the Board of Directors

1. To perform duties in accordance with the laws, objectives and Articles of Association of the Company as well as resolutions adopted by the shareholders' meeting with integrity, honesty and for the Company's best interest.
2. To set the Company's vision, formulate its policy and operation direction and to supervise the management to fulfill policy with efficiency and effectiveness in order to add the highest value possible for the Company and shareholders.
3. To formulate a policy, business strategy, operation plan and annual budget of the firm; to monitor and supervise the management's administration as well as the Company's quarterly-based performance and operation results compared to its plan and budget and to anticipate the trend in subsequent periods of the year.

4. To executive a business plan, budget and transaction with material sense based on the authorization table of the Board of Directors.
5. To constantly evaluate the performance of the management and to oversee and ensure a proper payment mechanism of remunerations to senior executives.
6. To set up a framework and policy under which salary will be offered and adjusted and under which bonus, allowances and other awards will be given to the Company's employees.
7. To have the management set up the accounting system, the financial reporting system and a reliable auditing; to ensure that the Company has an adequate and appropriate internal control system.
8. To approve an acquisition or disposal of assets, any investment in a new business and any action to ensure its legal compliance and compliance with all relevant announcements, terms and regulations.
9. To consider and/or give an opinion regarding a connected transaction and/or the execution of such transaction (if the transaction size isn't subject to an approval by the Shareholders' Meeting) of the Company and its subsidiaries to ensure compliance with relevant laws, announcements, terms and regulations.
10. To prevent conflict of interest among the Company's stakeholders.
11. To approve an interim dividend payment to shareholders.
12. To consider various matters by fairly taking into consideration the interest of shareholders and all groups of stakeholders. Directors are to immediately notify the Company, should they have any interest in an agreement executed with the Company or should they hold more or fewer shares of the Company or its subsidiaries. As for a transaction executed at arm's length with a director or an individual with a potential conflict of interest or who could pose any conflict of interest to the firm or its subsidiaries, directors with such interest shall have no rights to vote and approve the transaction.
13. To supervise the business with ethics under the Code of Conduct; to review the Company's corporate governance policy and to evaluate the policy compliance at least once a year.
14. To report own responsibility regarding the preparation of financial statements by publishing such report along with the auditor's report in the Annual Report of which the contents must cover major issues based on the Stock Exchange of Thailand's (SET) best practice policy for directors of listed companies.
15. To assign one or several directors or any other person to do anything on the Board of Directors' behalf; such authorization however must not be an authorization or a sub-delegation that will allow the director or his substitute to approve a transaction in which he or anyone who may possibly have a conflict will have any interest or other forms of profit that is conflicting with the interest of the Company or subsidiaries.
16. To appoint a sub-committee to oversee the management and the internal control system to meet the policy formulated by, among a few, the Executive Board and the Audit Committee.
17. To appoint a Company Secretary who will oversee that the Board of Directors and the Company comply with the laws and relevant rules and regulations.

THE AUDIT COMMITTEE

Name	Position
1. Mrs. Chiraporn Chemnasiri	Chairman of the Audit Committee
2. Mr. Visit Tantisunthorn	Member of the Audit Committee
3. Mr. Apichart Chirabandhu	Member of the Audit Committee
4. Mrs. Suphajee Suthumpun ⁽¹⁾	Member of the Audit Committee

Mr. Thanabhat Wongwit serves as the Audit Committee Secretary.

Note: (1) Mrs. Suphajee Suthumpun resigned from her position as an Independent Director, the Corporate Governance Committee and Member of the Audit Committee, effective from May 1, 2018.

Roles and Responsibilities of the Audit Committee

1. To review that the Company has accurately and adequately reported its financial statements.
2. To review that the Company's has an effective and appropriate internal control and internal audit system; to review the independence of the internal audit unit and to approve the appointment, transfer and termination of chief of the internal audit unit and/or the hiring of an internal audit company or any other agency to be responsible for the internal audit.
3. To review that the Company has duly complied with the laws on securities and exchange, the stock exchange's requirements and the laws relating to the firm's business.
4. To review, select and nominate an independent individual to be the Company's auditor and to propose his/her remuneration; to attend the meeting with the auditor with no management presence at least once a year.

5. To review a connected transaction or any transaction at arm's length basis to underline its legal compliance and compliance with the stock exchange's requirement; this is to ensure that the transaction is reasonable and for the Company's best interest.
6. To prepare the Audit Committee's report by disclosing it in the Company's Annual Report. The report shall be signed by the Audit Committee Chairman and include at least the following information:
 - (1) Opinions on the accuracy, completeness and reliability of the financial statements
 - (2) Opinions about the sufficiency of the Company's internal control system
 - (3) Opinions about the compliance to the laws related to the securities and exchange, regulations of the Stock Exchange of Thailand (SET) or laws related to the Company's business
 - (4) Opinions about the appropriateness of the auditor
 - (5) Opinions about related transactions that may have conflict of interest
 - (6) Number of Audit Committee meetings and attendance of individual Audit Committee member
 - (7) Collective opinions or notices of the Audit Committee after performing its duties in accordance with the Audit Committee Charter
- (8) Other items that shareholders or general investors should know within the scope of responsibility assigned by the Board of Directors
7. In performing its duty, if the Audit Committee finds or has doubts that there is one of the following items or actions which may have significant impact on the financial status or the Company's operating performance, the Audit Committee must report to the Board of Director for correction within the time frame set by the Audit Committee.
 - (1) Items causing conflict of interest
 - (2) Fraudulent action or irregularities or significant mistakes in the internal control system
 - (3) Breach of law on securities and the security exchange, the regulations of the Stock Exchange of Thailand and laws related to the Company's business.

If the Board of Directors or executives fail to correct or improve such issues within the given timeframe, any of the Audit Committee members can report such item or action to the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

8. Perform other actions as assigned by the Board of Directors and approved by the Audit Committee.

THE NOMINATION AND REMUNERATION COMMITTEE

Name	Position
1. Mr. Apichart Chirabandhu	Chairman of the Nomination and Remuneration Committee
2. Mrs. Chiraporn Chemnasiri	Member of the Nomination and Remuneration Committee
3. Mr. Rathapol Bhakdibhumi	Member of the Nomination and Remuneration Committee

Ms. Sunun Witthawatpongton serves as the Nomination and Remuneration Committee Secretary.

Roles and Responsibilities of the Nomination and Remuneration Committee

1. To review a nomination policy and criteria to recruit qualified personnel as company director, CEO and senior executives as well as to select and nominate qualified persons and propose them to the CEO and/or the Board of Directors Meeting and/or the Shareholders' Meeting for appointment as a company director.
2. To review a remuneration policy and criteria on remunerations and other benefits to company directors, the CEO and senior executives.
3. To recommend the Board of Directors who will submit remunerations to be paid to company directors, the CEO and senior executives to the Board of Directors' Meeting and/or Shareholders' Meeting for approval. The Board will approve remunerations and benefits of the CEO and senior executives while the Board proposes remunerations and benefits of its directors to the Shareholders' Meeting for approval.
4. To perform other duties as assigned by the Board of directors.

THE RISK MANAGEMENT COMMITTEE

Name	Position
1. Mr. Sorasit Soontornkes ⁽¹⁾	Chairman of the Risk Management Committee
2. Mr. Visit Tantisunthorn ⁽²⁾	Member of the Risk Management Committee
3. Mr. Prasert Akkharaprathomphong ⁽³⁾	Member of the Risk Management Committee
4. Mr. Norahuch Ployyai	Member of the Risk Management Committee

Mr. Chairat Sangchan serves as the Risk Management Committee Secretary.

Note: (1) Mr. Sorasit Soontornkes was appointed the Chairman of the Risk Management Committee replacing Mr. Pravej Ongartsittigul, effective from September 13, 2018.

(2) Mr. Visit Tantisunthorn was appointed a Member of the Risk Management Committee, effective from September 13, 2018.

(3) Mr. Prasert Akkharaprathomphong was appointed a Member of the Risk Management Committee, effective from September 13, 2018.

Roles and Responsibilities of the Risk Management Committee

- To establish an appropriate and efficient risk management direction and policy with significant meaning to the Company's business.
- To provide recommendations on the risk management direction that aligns with the Company's direction of business strategy and its business plan to the Board of Directors.
- To provide support to corporate risk management activities to ensure that company risk remains at the acceptable level and in line with the corporate risk management policy.
- To review and update the corporate risk management policy and process to ensure their effectiveness and adequacy to reflect changing circumstances.
- To support the development of risk management to be materialized at all levels in the entire corporation.
- To supervise, monitor and review the risk management report; to provide recommendations to ensure that the firm does have an efficient and appropriate risk management process that suits its business.
- To report significant risk management results to the Board of Directors.
- To perform other tasks as assigned by the Board of Directors.

THE CORPORATE GOVERNANCE COMMITTEE

Name	Position
1. Gen. Pornchai Kranlert ⁽¹⁾	Chairman of the Corporate Governance Committee
2. Mrs. Heather Mary Suksem (OBE) ⁽²⁾	Member of the Corporate Governance Committee
3. Mr. Nivat Bangsa-ngiam ⁽³⁾	Member of the Corporate Governance Committee

Mr. Chairat Sangchan serves as the Corporate Governance Committee Secretary.

Note:

(1) Gen. Pornchai Kranlert was appointed the Chairman of the Corporate Governance Committee replacing Mr. Pravej Ongartsittigul, effective from September 13, 2018.

(2) Mrs. Heather Mary Suksem (OBE) was appointed a Member of the Corporate Governance Committee, effective from May 10, 2018.

(3) Mr. Nivat Bangsa-ngiam was appointed a Member of the Corporate Governance Committee, effective from September 13, 2018.

Role and Responsibilities of the Corporate Governance Committee

- Formulate guidelines and policies regarding good corporate governance Guidelines that are significant to the effective business operations of the Company.
- Providing recommendations on good corporate governance which is consistent with the direction of business strategy and business plans to the Board of Directors.
- Encourage the management of good corporate governance in accordance with the Guidelines of good corporate governance.
- Supervise, follow up, and review good corporate governance reports, as well as, providing advice to be in line with the policy and ensuring that the Company has good governance and effective management for business operations.
- Review and improve the corporate governance policy of the Company to be efficient and sufficient in order to be consistent with the changing circumstances.
- Report of good corporate governance results to the Board of Directors for acknowledgment
- To perform other duties as assigned by the Board of Directors.

EXECUTIVE COMMITTEE

Name	Position
1. Mr. Prasert Bunsumpun ⁽¹⁾	Chairman of the Management
2. Mrs. Naline Ngamsetthamas	Member of the Executive Committee
3. Mr. Pravej Ongartsittigul	Member of the Executive Committee
4. Mr. Teerapol Chotichanapibal ⁽²⁾	Member of the Executive Committee

Ms. Sunun Witthawatpongton serves as the Executive Committee Secretary.

Note: (1) Mr. Prasert Bunsumpun was appointed the Chairman of the Board replacing Mr. Sommai Phasee, effective from August 27, 2018.

(2) Mr. Teerapol Chotichanapibal was appointed a Member of the Executive Committee, effective from October 11, 2018.

Roles and Responsibilities of the Executive Committee

- Consider with scrutinization of business plan strategy policy include the annual budget to be presented to the Board of Directors.
- Consider with scrutinization of matters related to various businesses of the Company in accordance with the Corporate Authorization Index.
- Consider with scrutinization of all types of work proposed to the Board of Directors, excluding the work under the responsibility of the management and/or the work that is the authority of other sub-committees that will be considered and screened for submission to the Board of Directors directly.
- Consider with scrutinization of appointment, promotion and transfer Chiefs Executive Officer of each work line (Chief Level) or equivalent before submitting to the Board of Directors for approval and approve of hiring, appointment, promotion and transfer the second level of management (SVP level) or equivalent and report to the Board of Directors for acknowledgment.
- Consider with scrutinization or acknowledge of other businesses related to the administration that the Executive Board deems necessary or expedient to be urgent to resolve, if not, will cause damage to the Company and report to the Board of Directors as soon as possible.
- Perform other duties as assigned by the Board of Directors.

SUBCOMMITTEE ON LUFTHANSA TECHNIK AG

Name	Position
1. Mr. Teerapol Chotichanapibal ⁽¹⁾	Chairman of the Subcommittee on Lufthansa Technik AG
2. Mr. Niphon Hakimi	Member of the Subcommittee on Lufthansa Technik AG
3. Mr. Apichart Chirabandhu	Member of the Subcommittee on Lufthansa Technik AG
4. Mr. Chavalit Uttasart ⁽²⁾	Member of the Subcommittee on Lufthansa Technik AG

Ms. Pawinee Chayavuttikul serves as the Subcommittee on Lufthansa Technik AG Secretary.

Note: (1) Mr. Teerapol Chotichanapibal was appointed the Chairman of the Subcommittee on Lufthansa Technik AG, effective from October 11, 2018.

(2) Mr. Chavalit Uttasart was appointed a Member of the Subcommittee on Lufthansa Technik AG, effective from November 22, 2018.

THE MANAGEMENT

Name	Position
1. Mr. Pravej Ongartsittigul ⁽¹⁾	Acting Chief Executive Officer
2. Mr. Norahuch Ployyai	Chief Operating Officer
3. Mr. Chairat Sangchan	Chief Support Officer
4. Ms. Pawinee Chayavuttikul	Chief Financial Officer
5. Mr. Thaveechai Ashareyaphadkul	Chief Commercial Officer

Note: (1) Mr. Pravej Ongartsittigul was appointed an Acting Chief Executive Officer, effective from September 11, 2018.

Roles and Responsibilities of the Chief Executive Officer

1. To control and manage the Company's day - to - day operations and/or execution; to supervise the overall operation in alignment with the Company's policy, business strategy, goal and operation plan, financial goal and corporate budget approved by the Board of Directors and/or the resolution of the Shareholders' Meeting.
2. To formulate a business plan; to establish management authority and to prepare budget for use in the business and the annual expenditure budget for submission to the Board's approval; to report progress based on the plan and budget already approved to the Board of Directors.
3. To establish an organizational structure, management procedures, recruitment, training, termination, wage rates, salary, remuneration, bonus and other benefits for employees.
4. To monitor and report the Company's situation and position and to propose an alternative strategy that is in line with the policy and market conditions.
5. To supervise and control the Company's various operations such as finance, risk management, internal control, flight operation, support office and human resources.
6. To represent the Company and to be authorized as its representative to contact with government and other supervisory bodies.
7. To communicate with the public, shareholders, customers and employees to promote the Company's reputation and image.
8. To put in place the corporate governance of the Company.
9. To be authorized to issue, amend, add and improve orders, rules and work regulations relating to, among a few, the nomination, appointment and removal of employees, disciplines of employees and workers, wages, salary and other remunerations as well as welfare and other fringe benefits.
10. To negotiate, discuss and approve the execution of any legal act and/or daily management of the firm within an amount approved by the Board of directors as stated in the authorization table; to be empowered and to have any role and responsibility as designated by or based on a policy entrusted by the Board of Directors.
11. To be authorized to appoint a substitute and/or to designate other individuals to specifically act on his behalf through the appointment of a substitute and/or such authorization shall however remain within the scope of the authorization stated in the given Power of Attorney and/or in alignment with the regulations, terms or orders given by the Board of Directors. The authorization of roles and responsibilities by the CEO mentioned above however must not be an authorization or a substitution that allows the CEO or his authorized representative to approve a transaction that he or the person with a potential conflict of interest (as defined in the notification of the securities and Exchange Committee or the Notification of the Capital Market supervisory

Board) may have an interest therein or may benefit in any manner or may have any other conflict of interest with the Company or its subsidiaries unless it concerns an approval of transaction on the basis of the policy or criteria already approved by the Shareholders' Meeting or the Board of Directors.

NOMINATION OF DIRECTORS AND EXECUTIVES

BOARD OF DIRECTORS

The Board of Directors consists of at least five directors, no fewer than half of whom must be domiciled in Thailand. The Company directors may or may not be the Company's shareholders when being appointed. The Nomination and Remuneration Committee is responsible for considering policy and criteria in nominating the person with the right qualifications to become directors and propose the persons to the Board of Directors and/or Shareholders' Meeting for consideration and appointment.

Nok Air has a policy to recruit and nominate qualified persons as its directors on the basis of their experiences, knowledge and competency found useful to the business. They must possess comprehensive qualifications and have no forbidden characters as stated under the Public Company Act, B.E. 2535 (1992) (including the amended), the Securities and Exchange Act, B.E. 2535 (1992) (including the amended) and related notifications of the Securities and Exchange Commission (SEC) and the Capital market Supervisory Board.

An appointment of a new director requires an approval by the Board of Directors and/or Shareholders' Meeting (as the case may be). Company director will be appointed on the basis of the criteria and procedures stated in the Company's Articles of Association of which details are as follows:

1. At every Annual General Shareholders' Meeting (AGM), one - third of all directors at the time shall resign on rotation. If the number of retiring directors could not be exactly divided, the nearest number to the one - third amount shall apply. Retired directors may be re - elected.
2. The Shareholders' Meeting may elect a company director based on the following procedures:
 - (1) One shareholder shall have one vote.
 - (2) Each shareholder shall exercise his entire votes under (1) to elect one or several persons as director. If he/she elects several persons as directors, he may not give more or fewer votes to one person than the other.
 - (3) Those receiving the highest votes will be elected in a respective order as the Company's directors for a number of directors the Company may have or may elect on that occasion. If the persons being elected in a subsequent order enjoy a tie but their presence

however will exceed a required number of directors the Company is to have or shall elect on that occasion, chairman of the meeting shall have a casting vote.

3. If a company director becomes vacant due to other reasons than rotation, the Board shall elect a qualified person who has no forbidden characters as stipulated in the laws on public limited company and the laws on securities and exchange to replace such person at the next Board of Directors' meeting unless the director's office term remains fewer than two months. The replacing person meanwhile shall remain in the office for the remaining term of the director whom he replaces only.

AUDIT COMMITTEE / INDEPENDENT DIRECTORS

The Audit Committee shall consist of at least three independent directors where one of whom shall have enough competency and experience to review and audit the reliability and credibility of the Company's financial statements. The Audit Committee shall possess full qualifications as stated in the Notification of the Capital Market Supervisory Board as follows:

1. Holding no more than one percentage of all shares with voting rights of the Company, the parent company, a subsidiary, an associated company, a major shareholder or a person with the Company's controlling interest. The counting shall include shares held by related persons of such independent director.
2. Not being or never be a director with management role, worker, employee, consultant receiving a fixed salary or a person with the controlling power of the Company, the parent company, a subsidiary and an associate company, a subsidiary company of the same level, a major shareholder or a person with the Company's controlling interest unless the person has no longer been in such position for no fewer than two years from the day the application is fled to the Securities and Exchange Commission (SEC). These forbidden qualifications do not include when the independent director used to be a civil servant or an advisor to government agency who is the Company's major shareholder or a person with controlling interest.
3. Not having a blood relationship or any legal relationship through registration as father, mother, spouse, sibling or children including spouses of children of other directors, executives, major shareholders, persons with controlling interest or persons to be nominated as a director, an executive or a person with controlling interest of the Company or its subsidiary.
4. Not having or never had any business relationship with the Company, the parent company, a subsidiary, an associate company, a major shareholder or a person with controlling interest of the applicant in a way that could hinder an independent exercise of his discretion including not being or never be a shareholder with a significant holding ratio

or a person with controlling interest of anyone having a business relationship with the Company, the parent company, a subsidiary and an associate company, a major shareholder or a person with the controlling interest unless he/she has no longer have such relationship for no fewer than two years from the applying date with the SEC. Business relationship under paragraph one refers to transaction during ordinary course of business to undertake the lease or rental of a real estate property, any transaction relating to assets or services, or a provision of or the receipt of financial assistance by getting or extending loan, guarantee, an offer of asset as a debt guarantee and other similar behaviors which results in the Company or a contractual party having an obligation to repay the other starting from 3% of the Company's net tangible assets or from 20 million baht, whichever is lower. The calculation of this debt obligation will have to be based, mutatis mutandis, on a calculation method of connected transactions under the notification of the Capital Market Supervisory Board Re: Rules governing connected transactions. However, when considering this debt obligation, one is required to include debt obligations accumulated within a year before such business relationship was formed with the same person.

5. Not being or never be an auditor of the Company, the parent company, a subsidiary, an associate company, a major shareholder or a person with the controlling interest. Neither shall be a shareholder with a significant meaning, a person with controlling interest or a partner of an auditing office in which the auditor of the Company, the parent company, a subsidiary and an associate company, a major shareholder or a person with the Company's controlling interest works unless he/she is no longer in such status for no fewer than two years prior to the applying date with the SEC.
6. Not being or never be any professional service provider which shall include a legal or financial advisor who received more than two million baht service fee annually from the Company, the parent company, a subsidiary an associate company, a major shareholder or a person with the Company's controlling interest. Neither shall he be a shareholder with significant meaning, a person with controlling interest or a partner of such professional service provider unless the person is no longer in such status for at least two years prior to the applying date to the SEC.
7. Not being a director who has been appointed to represent a company director, a major shareholder or a shareholder who is related to a major shareholder.
8. Not undertaking a business with the same nature and which materially competes with the business of the Company or its subsidiary; neither shall be partner with significant sense in a partnership; or a director with a management role, a worker, an employee and an advisor who earns a regular income or who holds more than 1% of other companies' entire shares with voting rights which undertakes the same business and which significantly competes with the Company or its subsidiary.

9. Not having other characteristics that indicate that he/she may not be able to express the opinion independently with regard to the Company's operations.
10. Not being a director who has been designated by the Board of Directors to make a decision in the operation of the Company, the parent company, a subsidiary, an associate company, a subsidiary of the same level, major shareholder and any person with the Company's controlling interests.
11. The independent director shall not be director of the parent company, a subsidiary or any subsidiary company of the same level limited however to listed companies. Neither shall be an independent director who may be designated by the Board to make a decision in regard to the operation of the Company, the parent company, a subsidiary of the same level; a major shareholder or a person with the Company's controlling interest where the decision making can be in a form of a collective decision.

If a person appointed as an independent director has or used to have a business relationship or provides or used to provide a professional service for a value that exceeds the level stated under Clause 4 or Clause 6 above, the board of Directors may relax the rule if it is of the view that such appointment won't affect his/her independent performance and expression of opinion. However, the following information shall be disclosed in the invitation letter to attend the Annual General Shareholders' meeting in the agenda relating to the appointment of independent directors:

1. Nature of a business relationship or a professional service that prevents the person from having required qualifications as stated in the criteria.

2. Reason and necessity to still retain the person or to appoint the person as an independent directors.
3. The Board of Directors' opinion when nominating the person to be appointed as an independent director.

SENIOR EXECUTIVES

The Nomination and Remuneration Committee is responsible for considering policy and criteria for nominating the persons with required qualifications to serve as the Chief Executive Officer and senior executives of the Company. The committee also selects and nominates the persons with the required qualifications for the Chief Executive Officer and/or the Board of Directors to approve the appointment. The authority to appoint the Chief Executive Officer therefore belongs to the Board of Directors.

Considering that Chief Executive Officer is a very important position and to ensure that the person holding this position has the knowledge, competency and experience and independence in management, the Board of Directors has assigned the Nomination and Remuneration Committee to be responsible for recruiting the person suitable for such position, in case the position is vacant.

For the position of Chief Officer of each line (Chief level) or equivalent, the Board of Directors has appointed the Nomination and Remuneration Committee to perform duties in recruiting suitable persons for the position to present to the Chief Executive Officer, Executive Committee to consider and the Board of Directors to approve the appointment respectively.

REMUNERATIONS OF DIRECTORS AND EXECUTIVES

REMUNERATION OF DIRECTORS AND COMMITTEE MEMBERS

- Remunerations of Directors

Position	Remuneration (Baht/Person/Month)	Meeting Allowance (Baht/Person/Meeting)
1. Chairman of the Board of Directors	30,000	30,000 (Should there be more than 1 meeting per month, the Chairman will receive meeting allowance of Baht 30,000 only)
2. Director	20,000	20,000 (Should there be more than 1 meeting per month, the Chairman will receive meeting allowance of Baht 20,000 only)

- Remuneration for the Audit Committee (on top of the remuneration of company director)

Position	Meeting Allowance for the Audit Committee (Baht/Person/Meeting)
1. Chairman of the Audit Committee	30,000
2. Member of the Audit Committee	20,000

- Remunerations for the Nomination and Remuneration Committee (on top of the remuneration of company director)

Position	Meeting Allowance for the Nomination and Remuneration Committee (Baht/Person/Meeting)
1. Chairman of the Nomination and Remuneration Committee	30,000
2. Member of the Nomination and Remuneration Committee	20,000

- Remunerations for the Risk Management Committee (on top of the remuneration of company director)

Position	Meeting Allowance for the Risk Management Committee (Baht/Person/Meeting)
1. Chairman of the Risk Management Committee	30,000
2. Member of the Risk Management Committee	20,000

- Remunerations for the Corporate Governance Committee (on top of the remuneration of company director)

Position	Meeting Allowance for the Corporate Governance Committee (Baht/Person/Meeting)
1. Chairman of the Corporate Governance Committee	30,000
2. Member of the Corporate Governance Committee	20,000

- Remunerations for Executives Committee (on top of the remuneration of company director)

Position	Meeting Allowance for Executives Committee (Baht/Person/Meeting)
1. Chairman of the Executive Committee	30,000
2. Member of the Executive Committee	20,000

- Remunerations for the Subcommittee on Lufthansa Technik AG (on top of the remuneration of company director)

Position	Meeting Allowance for the Subcommittee on Lufthansa Technik AG (Baht/Person/Meeting)
1. Chairman of the Subcommittee on Lufthansa Technik AG	15,000
2. Member of the Subcommittee on Lufthansa Technik AG	10,000

The Advisor to Chairman of the Board or Executive Consultant, who was appointed the Directors and Committee members have received the meeting allowance. For Senior Executives, who was appointed Directors and Committee members will not receive any compensation.

In addition to the remunerations in financial form, the Company's Directors receive benefit in a form of 24 passenger tickets a year along flight routes offered by the Company (excluding fees and expenses such as fuel surcharge, airport charge, insurance, operation fee and VAT, etc.)

In 2018, the Company paid remuneration for 22 directors in the form of monthly allowance and meeting allowance, totaling 8,410,000 baht, excluding the remunerations of the strategic and Long-term Plan Committee and Steering Committee (Turnaround Plan) Remunerations for the directors and committees are as follows:



Name	Board of Director	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Corporate Governance Committee	Executives	The Subcommittee on Lufthansa Technik AG	Total
1. Mr. Prasert Bunsumpun ⁽¹⁾	600,000	-	-	-	-	120,000	-	720,000
2. Mr. Pravej Ongartsittigul ⁽²⁾	320,000	-	-	90,000	90,000	510,000	-	1,010,000
3. Mrs. Nalinee Ngamsetthamas	480,000	-	-	-	-	280,000	-	760,000
4. Mr. Sumeth Damrongchaitham ⁽³⁾	20,000	-	-	-	-	-	-	20,000
5. Mr. Rathapol Bhakdibhumi	480,000	-	100,000	-	-	-	-	580,000
6. Mr. Wiwat Piyawiroj ⁽⁴⁾	120,000	-	-	-	-	-	-	120,000
7. Mr. Chavalit Uttasart ⁽⁵⁾	440,000	-	-	-	-	-	10,000	450,000
8. Mrs. Chiraporn Chemnasiri	460,000	300,000	140,000	-	-	-	-	900,000
9. Mr. Visit Tantisunthorn ⁽⁶⁾	460,000	180,000	-	60,000	-	-	-	700,000
10. Mr. Apichart Chirabandhu	440,000	140,000	210,000	-	-	-	70,000	860,000
11. Mrs. Heather Mary Suksem (OBE) ⁽⁷⁾	300,000	-	-	-	100,000	-	-	400,000
12. Mr. Teerapol Chotichanapibal ⁽⁸⁾	360,000	-	-	-	-	380,000	120,000	860,000
13. Gen. Pornchai Kranlert ⁽⁹⁾	-	-	-	-	120,000	-	-	120,000
14. Mr. Sorasit Soontornkes ⁽¹⁰⁾	-	-	-	150,000	-	-	-	150,000
15. Mr. Nivat Bangsa-ngiam ⁽¹¹⁾	-	-	-	-	40,000	-	-	40,000
16. Mr. Prasert Akkharapathomphong ⁽¹²⁾	-	-	-	60,000	-	-	-	60,000
17. Mr. Nipphon Hakimi	-	-	-	-	-	-	80,000	80,000
18. Mr. Norahuch Ployyai	-	-	-	-	-	-	-	-
19. Mr. Piya Yodmani	-	-	-	-	-	-	-	-
20. Mr. Sommai Phasee	120,000	-	-	-	-	-	-	120,000
21. Mrs. Usanee Sangsingkeo ⁽¹³⁾	300,000	-	-	-	-	-	-	300,000
22. Mrs. Suphajea Suthumpun	140,000	20,000	-	-	-	-	-	160,000

- Note:** (1) Mr. Prasert Bunsumpun was appointed an Independent Director, the Chairman of the Board replacing Mr. Sommai Phasee, effective from February 26, 2018 and the Chairman of Executives replacing Mr. Pravej Ongartsittigul, effective from August 27, 2018.
- (2) Mr. Pravej Ongartsittigul resigned from his positions as the Chairman of the Management, the Chairman of the Risk Management Committee, and the Chairman of the Corporate Governance Committee, effective from August 9, 2018, and was appointed an Acting Chief Executive Officer, effective from September 11, 2018.
- (3) Mr. Sumeth Damrongchaitham was appointed position replacing Mrs. Usanee Sangsingkeo, effective from December 21, 2018.
- (4) Mr. Wiwat Piyawiroj was appointed a Director replacing Mr. Teerapol Chotichanapibal, effective from September 13, 2018.
- (5) Mr. Chavalit Uttasart was appointed a Director replacing Mr. Patee Sarasin, effective from February 15, 2018.
- (6) Mr. Visit Tantisunthorn was appointed a Member of the Risk Management Committee, effective from September 13, 2018.
- (7) Mrs. Heather Mary Suksem (OBE) was appointed an Independent Director, a Member of the Corporate Governance Committee, effective from May 10, 2018.
- (8) Mr. Teerapol Chotichanapibal resigned from his positions as Director, and was appointed Advisor, effective from September 13, 2018 and Member of the Executive Committee, the Chairman of the Subcommittee on Lufthansa Technik AG, effective from October 11, 2018.
- (9) Gen. Pornchai Kranlert was appointed the Chairman of the Corporate Governance Committee replacing Mr. Pravej Ongartsittigul, effective from September 13, 2018.
- (10) Mr. Sorasit Soontornkes was appointed the Chairman of the Risk Management Committee replacing Mr. Pravej Ongartsittigul, effective from September 13, 2018.
- (11) Mr. Nivat Bangsa-ngiam was appointed a Member of the Corporate Governance Committee, effective from September 13, 2018.
- (12) Mr. Prasert Akkharapathomphong was appointed a Member of the Corporate Governance Committee, effective from September 13, 2018.
- (13) Mrs. Usanee Sangsingkeo was appointed an Executive Director, effective from September 27, 2017.



REMUNERATIONS OF EXECUTIVES

As of December 31, 2018, Nok Air had 5 executives who were remunerated in a form of salary, bonus and other benefits such as social security, provident fund, titled allowance and lump-sum vehicle expenses. Directors' bonus is based on operating profit and performance of individual director. In 2018, Nok Air paid 13.76 million baht in a form of salary for 5 executives.

In addition to the remunerations in financial form, the Company's executives receive benefit in a form of 24 passenger tickets a year along flight routes offered by the Company (excluding fees and expenses such as fuel surcharge, airport charge, insurance, operation fee and VAT, etc.).

BOARD OF DIRECTORS MEETING

In the year 2018, the Company held 18 Board of Directors meetings and one Board of Directors meeting without any executives, including a sub-committee meeting, i.e. 10 meetings of the Audit Committee, 7 meetings of the Nomination Committee and Determine the remuneration, 6 meetings of the Risk Management Committee, 5 meetings of the Corporate Governance Committee, 21 meetings of the Executive Committee, and the 8 meetings of the Subcommittee on Lufthansa Technik AG. The details of the meeting are as follows:

Name	No. of Attendance Meeting Attendance						
	Board of Director	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Corporate Governance Committee	Executives	The Subcommittee on Lufthansa Technik AG
1. Mr. Prasert Bunsumpun ⁽¹⁾	15/15	-	-	-	-	4/4	-
2. Mr. Pravej Ongartsittigul ⁽²⁾	17/18	-	-	3/3	3/3	21/21	-
3. Mrs. Nalinee Ngamsetthamas	17/18	-	-	-	-	13/21	-
4. Mr. Sumeth Damrongchaitham ⁽³⁾	0/1	-	-	-	-	-	-
5. Mr. Rathapol Bhakdibhumi	15/18	-	5/7	-	-	-	-
6. Mr. Wiwat Piyawiroj ⁽⁴⁾	3/5	-	-	-	-	-	-
7. Mr. Chavalit Uttasart ⁽⁵⁾	15/16	-	-	-	-	-	1/1
8. Mrs. Chiraporn Chemnasiri	16/18	10/10	7/7	-	-	-	-
9. Mr. Visit Tantisunthorn ⁽⁶⁾	16/18	9/10	-	3/3	-	-	-
10. Mr. Apichart Chirabandhu	13/18	7/10	7/7	-	-	-	7/8
11. Mrs. Heather Mary Suksem (OBE) ⁽⁷⁾	11/13	-	-	-	5/5	-	-
12. Mr. Teerapol Chotichanapibal ⁽⁸⁾	13/13	-	-	-	-	19/21	8/8
13. Gen. Pornchai Kranlert ⁽⁹⁾	-	-	-	-	5/5	-	-
14. Mr. Sorasit Soontornkes ⁽¹⁰⁾	-	-	-	5/5	-	-	-
15. Mr. Nivat Bangsa-ngiam ⁽¹¹⁾	-	-	-	2/2	-	-	-
16. Mr. Prasert Akkharaprathomphong ⁽¹²⁾	-	-	-	3/3	-	-	-
17. Mr. Nipphon Hakimi	-	-	-	-	-	-	8/8
18. Mr. Norahuch Ployyai	-	-	-	6/6	-	-	-
19. Mr. Piya Yodmani	10/11	-	-	-	-	17/17	4/5
20. Mr. Sommai Phasee	2/2	-	-	-	-	-	-
21. Mrs. Usanee Sangsingkeo ⁽¹³⁾	7/13	-	-	-	-	0/15	-
22. Mrs. Suphajee Suthumpun	4/5	1/1	-	-	-	-	-

- Note:** (1) Mr. Prasert Bunsumpun was appointed an Independent Director, the Chairman of the Board replacing Mr. Sommai Phasee, effective from February 26, 2018 and the Chairman of Executives replacing Mr. Pravej Ongartsittigul, effective from August 27, 2018.
- (2) Mr. Pravej Ongartsittigul resigned from his positions as the Chairman of the Management, the Chairman of the Risk Management Committee, and the Chairman of the Corporate Governance Committee, effective from August 9, 2018, and was appointed an Acting Chief Executive Officer, effective from September 11, 2018.
- (3) Mr. Sumeth Damrongchaitham was appointed position replacing Mrs. Usanee Sangsingkeo, effective from December 21, 2018.
- (4) Mr. Wiwat Piyawiroj was appointed a Director replacing Mr. Teerapol Chotichanapibal, effective from September 13, 2018.
- (5) Mr. Chavalit Uttasart was appointed a Director replacing Mr. Patee Sarasin, effective from February 15, 2018.
- (6) Mr. Visit Tantisunthorn was appointed a Member of the Risk Management Committee, effective from September 13, 2018.
- (7) Mrs. Heather Mary Suksem (OBE) was appointed an Independent Director, a Member of the Corporate Governance Committee, effective from May 10, 2018.
- (8) Mr. Teerapol Chotichanapibal resigned from his positions as Director, and was appointed Advisor, effective from September 13, 2018 and Member of the Executive Committee, the Chairman of the Subcommittee on Lufthansa Technik AG, effective from October 11, 2018.
- (9) Gen. Pornchai Kranlert was appointed the Chairman of the Corporate Governance Committee replacing Mr. Pravej Ongartsittigul, effective from September 13, 2018.
- (10) Mr. Sorasit Soontornkes was appointed the Chairman of the Risk Management Committee replacing Mr. Pravej Ongartsittigul, effective from September 13, 2018.
- (11) Mr. Nivat Bangsa-ngiam was appointed a Member of the Corporate Governance Committee, effective from September 13, 2018.
- (12) Mr. Prasert Akkharaprathomphong was appointed a Member of the Corporate Governance Committee, effective from September 13, 2018.
- (13) Mrs. Usanee Sangsingkeo was appointed an Executive Director, effective from September 27, 2017.

CORPORATE GOVERNANCE POLICY

The Board of Directors recognizes the importance of good corporate governance and encourages the upgrading of corporate governance principles to be in line with the guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). This is important and necessary for the business that enables the Company to have an effective management system and is an important part in promoting the business of the Company to continue to grow and be stable which will maximize the benefits of the Company and all stakeholders in the long term.

Therefore, in the Company's Board of Directors Meeting No. 12/2018 on December 21, 2018, it has been considered, reviewed, and improved the good corporate governance policy by dividing into 5 categories as follows:

SECTION 1: RIGHT OF SHAREHOLDERS

The Board of Directors equally values and respects the rights of each shareholder. It is well aware that shareholders have the right of ownership to oversee Nok Air business by appointing the Board as their representatives, entitled to make a decision about the Company's major change. As a result, Nok Air facilitates the shareholders by offering fundamental legal rights or the rights they deserve, such as the right to sell or transfer shares, the right to share in the profit, the right to receive accurate, comprehensive and adequate company information in a timely and equitable manner to make decisions, right to propose additional meeting agendas before the shareholders' meeting, the right to attend shareholders' meetings to vote for appointment or dismissal of directors, the right to set directors' remuneration rate, the right to appoint auditors, and the right to set the auditing fee. This includes the issues that affect the Company. Nok Air will never take an action to violate or limit the rights of shareholders.

As a result, the Board defined the practice guidelines to facilitate and encourage shareholders to attend the shareholders' meetings, along with other related rights of shareholders as below:

Holding Shareholders' Meeting

1. Before the Shareholders' Meeting Date

- 1.1 Thailand Securities Depository Company Limited (TSD), securities registrar of Nok Air, will send the shareholders an invitation letter, also available in English for foreign shareholders. Enclosed with the letter are supporting documents that contains key information to help shareholders decide, such as objectives and rationality as well as the Board's opinions stated in all meeting agendas. Shareholders will be able to study the information at least seven days prior to the Shareholders' Meeting. Moreover, Nok Air will announce the Shareholders' Meeting in newspapers to comprehensively inform the shareholders about date, time, venue and agenda of meeting in Thai and English in compliance with law.
- 1.2 Nok Air adds communication channels of shareholders through its website nok-th.listedcompany.com where information and update will be exclusively posted there. The invitation letter to the meeting will be posted in advance before the meeting day for shareholders to conveniently and comprehensively download the meeting agendas.
- 1.3 If a shareholder cannot attend the meeting himself/herself, Nok Air allows that shareholder to appoint an independent director or any individual to attend the meeting on his/her behalf using any of three proxy appointment forms provided with the invitation letter as regulated by law. Nok Air will also help them with proxy instruction and prepare complimentary stamp duty for the proxy.
- 1.4 Nok Air will prepare venue and facilities to equally facilitate all shareholders who attend the meeting, such as adequate parking space for shareholders who drive and easy access for all shareholders, with map of venue attached to the invitation letter.
- 1.5 The meeting must not take place on public holidays or long weekends. Its timing must be appropriate.

2. On the Shareholders' Meeting Date

- 2.1 The Board of Directors will assign adequate staff members to review the participants' documents to ensure prompt, accurate, and auditable process. At the shareholders' registration point, the bar code system was implemented to expedite process of registration, vote counting, and result display to ensure quick and precise outcome.
- 2.2 Nok Air will appoint independent individuals to count or check the shareholders' votes in the meeting. Shareholders must use ballots to vote for every agenda required, which will ensure transparency and auditability in case that any arguments later arise. Nok Air will clearly count the ballots, disclose the results, and record the meeting's resolution in the minutes of meeting.
- 2.3 In the Shareholder's Meeting, Nok Air will arrange for a consideration and a voting based on an order of the meeting agendas without changing any material information or without adding any meeting agenda at the meeting without prior notice. Shareholders will vote for each item in case of multiple items under one agenda, such as appointment of directors.
- 2.4 Shareholders will be equally allowed to examine Nok Air's operation and to inquire and express their opinions as well as recommendations. Directors and executives will attend the Meeting to answer questions there. They are also allowed to ask chairperson of each committee in related issues.
- 2.5 Before the meeting, the Board of Directors, executives, and auditor (s) will be introduced to the participants. The Chairman will announce the quorum, consisting of the number of participating shareholders, the number of proxies, and the number of shareholders who appoint independent directors of Nok Air as a proxy. Moreover, the voting procedures and counting of shareholders' votes for each session will be clarified.
- 2.6 The Chairman of the meeting will allocate adequate meeting time to equally give each shareholder a chance to inquire or comment on related issues. Shareholders' key questions will be comprehensively answered. All major questions, explanation and opinion will be recorded in the minutes of meeting to further inform the shareholders who cannot attend the meeting.

3. After the Shareholders' Meeting Date

- 3.1 The minutes of the meeting, which discloses the meeting resolution, must be completely recorded with accuracy and transparency, consisting of following details:
 - Name list and title of directors, committees, high-ranking executives and auditors' representative who attends and cannot attend the meeting (if any).
 - Quorum, consisting of the number of participating shareholders, the number of proxies, and the number of shareholders who appoint an independent director as proxy
 - Voting procedure in each agenda, counting of total shareholders' votes before the meeting, and ballot instruction
 - Every approving vote, disapproving vote, and abstention in each agenda that requires voting, including names of non-eligible voters and his/her number of shares (if any)
 - Key questions, explanation and comments recorded in the minutes of meeting
- 3.2 The meeting's resolution will be announced in SET's media channel the next working day, declaring the number of approving votes, disapproving votes, and abstentions in each agenda. Both Thai and English report will be issued and submitted to SET and related agencies. The information will be posted on Nok Air website within the timeline specified by law so that the shareholders can review it without waiting until the next meeting. Moreover, the minutes of meetings are kept in an effective storage system to refer to auditable reference.
- 3.3 Nok Air will increasingly facilitate convenient approach for shareholders to receive their dividend by transferring it to their bank accounts (if any dividend is paid) to allow shareholders to get paid on a timely basis and to also avoid any defect or loss or bank cheques or any delayed delivery.

SECTION 2: EQUITABLE TREATMENT OF SHAREHOLDERS

Nok Air takes it as its mission to equally treat all shareholders with fairness regardless of the shareholders' status, be they executive and non-executive shareholders and foreign shareholders. The Company is committed to facilitate shareholders in exercising their rights across all areas that they are eligible for. The Board of Directors therefore implemented a policy as follows:

1. Nok Air will send meeting schedule, agenda, and directors' opinions the Stock Exchange of Thailand (SET), which will further post them on SET website (nok-th.listedcompany.com).
2. Shareholders has the voting right of one share equals one vote. For the same type of share, the shareholders have equal right based on one-share-one-vote principle.
3. Nok Air offers shareholders a chance and right to appoint each director.
4. Nok Air shall study a possibility to allow minor shareholders to nominate directors or to propose any additional meeting agenda prior to the Shareholders' Meeting.
5. To facilitate the shareholders who are unable to attend the meeting, the Company will deliver all three types of proxy appointment forms, which are Form A, Form B and Form C, for shareholder to choose, along with invitation letter and instruction on proxy, to ensure that the shareholders are well prepared and avoid the difficulties for proxies. Such information is also published on the Company's website (nok-th.listedcompany.com) as another channel for shareholders to download.
6. Nok Air allows the shareholders to appoint at least one independent director as a proxy to attend the meeting. The name of the appointed independent director is to be stated in an invitation letter for the Shareholders' Meeting.
7. Nok Air will organize the meeting in orders of the agenda in the invitation letter and will not add agenda that are not listed in the invitation letter to the meeting without prior notice to shareholders. This is to ensure the fair treatment to the shareholders who do not attend the meeting.
8. Shareholders must use ballots for every agenda that requires voting to ensure transparency and auditability in case that any arguments later arise. Nok Air will clearly count the ballots, disclose the result, and record the Meeting's resolution in the minutes of meeting.

9. All shareholders, be they major or minor, Thai or foreigner shareholders, will be treated equally.

For equal treatment of shareholders, the Board of Directors has provided measures for preventing directors' and executives' abuse of internal information to seek benefits for themselves and others, which is unfair to other shareholders of the Company. Examples of the abuse include selling securities using internal information and disclosing internal information to individuals related to directors and executives, which may cause damage to the Company's shareholders as a whole. The Company's policy towards internal information use is as follows:

USE OF INTERNAL INFORMATION

1. Educating directors and executives regarding their duties to report the securities that they, their spouses and non-matured children are holding to The Securities and Exchange Commission according to Section 59 and penalties under Section 275 of the Securities and Exchange Act, B.E. 2535 (1992) (and the amended); reporting the acquisition or disposal of securities of one's own, one's spouse and non-matured children to The Securities and Exchange Commission under Section 246 and penalties under the Section 298 of the Securities and Exchange Act, B.E. 2535 (1992) and the amended.
2. Directors and company executives as well as spouses and non-matured children are required to prepare and disclose their securities-holding report and a report indicating the change of their holding of the Company's securities to The Securities and Exchange Commission under Section 59 and penalties under Section 275 of the Securities and Exchange Act, B.E. 2535 (1992) (and the amended). A copy of these reports is to be sent to the Company on the same day they are submitted to The Securities and Exchange Commission.
3. Directors, executives, employees and workers of the Company and its subsidiaries getting access to internal information that is material enough to affect the price of the Company's securities are to exercise their caution when trading the Company's securities within one month before the financial statements or such internal information is disclosed to the public and within 24 hours after such internal information was disclosed to the public. Those relating to the internal information must not be disclosed to any one unless the information is notified to the SET. Regarding the penalties, in case of violation, Nok Air will consider it as a disciplinary violation against the Company's work regulations and will penalize the person based on the circumstance in the following manners: verbal warning, written warning, probation and termination by firing, dismissing or discharging, as the case may be.

4. Directors, executives, employees and workers are prohibited to use the Company's internal information not yet released to the public that has or may have an effect to the Company's securities price and that they have known due to their position in the buying or selling or to offer to buy or sell or to persuade someone else to buy or sell or to offer to buy or sell the Company's other shares or securities (if any) whether directly or indirectly in a manner that could negatively affect the Company directly or otherwise and whether or not such an action is executed for one's interest or for someone else's or to disclose such fact for someone else to undertake these foregoing actions whether or not the directors, executives, employees and workers stand to benefit from it.
5. Directors, executives, employees and workers of the Company are prohibited to disclose its internal information or trade secrets as well as confidential information of the Company's suppliers that became known to them during their performance to the third party although such disclosure won't pose any negative effect to the Company and its suppliers.
6. Directors, executives, employees and workers of the Company shall have a duty to keep the Company's secret and/or internal information as well as a duty to use such internal information for the benefit of the Company's business only. Directors, executives, employees and workers of the Company are prohibited to use the Company's secret and/or internal information for the benefit of other companies in which they are shareholders, directors, executives, employees and workers.
7. Directors, executives, employees and workers of the Company are obliged to comply with the guidelines on the use of internal information under the Securities and Exchange Act and the Act on Public Limited Company as well as other regulations.

Nok Air underlines transparency and interest of its business when it comes to reviewing transactions. That's why it emphasizes the prevention of any transaction that could cause a conflict of interest, a connected transaction or a related transaction, all of which has been translated into the policy with the main contents as follows:

POLICY OF CONNECTED TRANSACTIONS

1. Executives and employees are to comply with Nok Air's Code of Conduct which is considered important and has to strictly comply with for the purpose of reliability and confidence by all stakeholders. The information in the Code of Conduct will be communicated to all employees for their understanding.
2. Company directors and executives are to inform the Company of their relationship or any connected transaction in any business which may cause a conflict of interest.
3. A connected transaction will be submitted to the Audit Committee for its opinion before the matter is proposed to the Board of Directors for approval based on the principle of good corporate governance. The Company will oversee the compliance with rules and regulations of the SET and the Office of Securities and Exchange Commission (SEC).

The Board of Directors obliges directors and executives to disclose information about their own and related individuals' interests in order to enable the Board to consider Company's transactions that may have a conflict of interests and perform decision - making to ensure interest of the Company as a whole. The directors and executives who have interest in a transaction with the Company will not be involved in decision - making about the transaction. The Company's policy for preventing a conflict of interest is provided as follows:

POLICY FOR PREVENTION OF CONFLICT OF INTEREST

The Board has formulated a policy for prevention of conflict of interest on the principle that any business decision is to be executed on the basis of the best interest of the Company only and any action that could lead to a conflict of interest shall be avoided at all costs where those relating to the matter or having an interest in the matter under the review must notify the Company of his relationship or interest in the transaction and will not be involved in a decision - making process, nor shall they be authorized to approve the transaction.

In addition, directors and executives are to submit a meeting agenda expected to cause a conflict of interest between the Company and any major shareholder to the Audit Committee in advance. If the Audit Committee finds the transaction as either of the following:

1. A connected transaction - The Audit Committee is to request the Board to comply with the Notification of the SET Re: Disclosure of Information and action of listed companies relating to connected transactions, B.E. 2546 (2003); or
2. A conflict of interest - The Audit Committee is to inform the Board of Directors issues of possible conflict of interest and the director's name who could have a conflict of interest for the Board and the director to strictly comply with Section 80 of the Public Limited Company Act.

In addition, if an executive or a company director is of the view that a transaction is clearly qualified as either a connected transaction or a transaction with a conflict of interest and he intends to comply with the Notification of the SET Re: Disclosure of information and action of listed companies relating to connected transactions, B.E. 2546 (2003) and/or Section 80 of the Public Limited Company Act Re: Abstention of directors with direct or indirect interest, he/she may submit the agenda directly to the Board of Directors without first seeking the Audit Committee's opinion.

SECTION 3: ROLES OF STAKEHOLDERS

Nok Air realizes and recognizes the rights of all stakeholders, be they internal stakeholders; namely, shareholders and employees, or external stakeholders; namely, customers, suppliers, creditors, competitors, the public sector and other agencies and neighboring communities. This is simply because the Company has been supported by all stakeholders to be able to nurture our competitiveness and to generate profits to the business, an action which is considered enhancing our values in the long run. Stakeholders should therefore be treated well according to their legal rights. Related policy is as follows:

POLICY AND PRACTICE TOWARD EMPLOYEES

Nok Air realizes that our employees are truly a key of our success to achieve our valuable goal. That's why it's our policy to fairly treat our employees either in terms of their career opportunity, remunerations, appointment, job transfer and capacity - building. To correspond with this policy, Nok Air has the following practices:

1. Treating employees politely and with respect to their individual rights.
2. Offering fair remunerations to employees; setting up a provident fund for employees and underlining the importance of employee welfare
3. Maintaining an environment which is safe as a place to work and a safe place for employees' properties.
4. Appointment, transfer, award and disciplining employees will be conducted with integrity and on the basis of individual employee's knowledge, capacity and proper circumstance.
5. Underlining the importance of employee's skill enhancement and capacity - building where all employees will be thoroughly and constantly given an opportunity to have their capacity developed to fulfill their professional potential, Nok Air does have an employee training plan drafted on an annual basis.
6. Listening to advices and recommendations based on employee's professional capacity.
7. Strictly complying with all employee - related laws and regulations

POLICY AND PRACTICE TOWARD SHAREHOLDERS

Constantly realizing that shareholders are the owner of our business and the Company has a duty to add values to shareholders in the long run, Nok Air requires its directors, executives and employees alike to comply with the following practices:

1. Performing duties with integrity; making a decision on the professional principle with caution, care and fairness to major and minor shareholders for the best interest of all shareholders.
2. Carefully reporting the Company's status, financial statements, financial and accounting information and other reports.
3. Preventing from seeking an interest for oneself and other using the Company's information which has not yet been disclosed to the public that could result in the Company's conflict of interest.

POLICY AND PRACTICE TOWARD CUSTOMERS

Recognizing the importance of our customers, the Company has set customer treatment policy as follows:

1. Providing customer service with politeness, enthusiasm and a service mind where the service is provided with sincerity, willingness, care and attention. All customers are treated as our close relatives. The service is offered with speed, accuracy and reliability.
2. Keeping customer's confidential information and refrain from illegally using their information for the interest of ourselves or related persons
3. Informing customers with accurate, adequate and timely information about the services provided by us by not overly advertising our products that could lead customers to misunderstand their quality or any service conditions.
4. Providing advice regarding the Company's means of providing the service to be as efficient as possible and for the best interest of our customers

POLICY AND PRACTICE TOWARD SUPPLIERS AND/OR CREDITORS

Nok Air has a policy through which employees shall treat all suppliers and/or creditors in a fair and sincere manner without taking their advantage and by taking into consideration the Company's best interest and on the basis of fair returns to both parties while avoiding any circumstance that could lead to a conflict of interest. Any discussion for resolution shall be based on the business relationship. The practice is as follows:

1. Not demanding or accepting or paying any unscrupulous business benefit to supplier and/or creditor.
2. If there is any information indicating that a demand or receipt or payment of any unscrupulous benefit was made, such information must be disclosed to supplier and/or creditor and the parties shall mutually resolve the problem with fairness and speed.
3. Strictly complying with all previously-agreed conditions. If any condition can't be complied with, creditors have to be quickly notified to find a possible solution together.

POLICY AND PRACTICE TOWARDS COMPETITORS

Nok Air has a policy to treat business competitors without violating or learning their confidential information in a fraudulent manner. The policy in this area is as follows:

1. Acting on the basis of the good competition framework.
2. Not seeking the competitor's confidential information in an inappropriate and fraudulent manner.
3. Not destroying the competitor's reputation by slandering him.

POLICY AND PRACTICE TOWARDS THE SOCIETY AND COMMUNITY

Nok Air has a policy to conduct our business that will benefit the economy and the society as a committed corporate citizen who complies with the laws and related regulations without violating the basic human rights while promoting and upgrading the quality of our society and the communities.

ENVIRONMENTAL POLICY

The Company's policy in this area is to provide quality-enhancement activities as well as those relating to occupational health and the environment. We will maintain our work environment to make it safe to employee's life and property. Employees will be encouraged to have awareness in the society and the environment through activities which our employees will be constantly encouraged to participate.

Nok Air provides complaint-making and whistle-blowing channels as below:

Letter: Corporate Governance Committee
Nok Airlines Public Company Limited
3 Rajanakarn Building 17th Floor,
South Sathorn Road, Yannawa, Sathorn
Bangkok 10120

E-mail: nok_cg@nokair.com

Tel: 0 2627 2000 ext. 2326

Fax: 0 2285 6944

SECTION 4: DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Board of Directors has a policy to disclose financial and other information relating to Nok Air's business and its performance that is accurate, comprehensive and adequate on a regular and timely fashion and that reflects its actual financial status and operation results as well as its future.

The Board of Directors is strictly committed to legal compliance as well as compliance with rules and regulations relating to the disclosure of information and transparency. Information has been posted in Nok Air's website and the SET's media channel for shareholders and other related parties to get a thorough access. The Company is ready to update or change any information to align with what the SET and the SEC have notified and enforced.

Nok Air underlines the importance of its financial reports which should reflect the Company's actual financial status and operation results on the basis of accurate, complete and adequate accounting information based on the generally-accepted accounting principles (GAAP). The Company will also disclose information related to each director as well as roles and responsibilities of the Board of Directors and other committees in the Annual Report Form (Form 56-2) and the Annual Information Declaration Form (Form 56-1). It will also disclose remunerations of its directors and executives in its Annual report (Form 56-2) and the Annual Information Declaration Form (Form 56-1). Nok Air therefore formulates the policy and guideline as below:

POLICY OF INVESTOR RELATIONS

Nok Air delegates the staff to contact and communicate with investors or shareholders, including institutional investors and minor shareholders. It not only holds meetings to regularly analyze the performance, but also disseminates the corporate information, such as financial and general information, to shareholders, securities analysts, credit rating agencies, and relevant government agencies, via different channels, such as report submitted to the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC) and the Company's website (nok-th.listedcompany.com).

Recognizing the importance of regular information disclosure, Nok Air keeps the shareholders informed via the Company's website that always updates its content, namely vision, mission, financial statement, press releases, annual reports, organization and management structure, shareholding structure and major shareholders. Shareholders or investors may inquire about the information at:

Letter: Investor Relations Department
Nok Airlines Public Company Limited
3 Rajanakarn Building 17th Floor,
South Sathorn Road, Yannawa, Sathorn
Bangkok 10120
E-mail: nok_ir@nokair.com
Tel: 0 2627 2000 ext. Investor Relations Department
Fax: 0 2285 6944

SECTION 5: RESPONSIBILITY OF THE BOARD

The Board of Directors is responsible for shareholders in overseeing the Company's business to meet corporate goal and to steer the business in a direction that will maximize shareholders' interest taking into consideration benefits of all stakeholders.

The Board of Directors' duty is to ensure compliance with the laws, objectives, Articles of Association and resolutions of the Shareholders' Meeting. The Board is to perform its duty with integrity and to take care of the interest of shareholders and stakeholders both in the short and long run. To ensure that Nok Air's business is in a direction that will maximize the interest of shareholders and stakeholders, the Board will supervise the preparation of the Company's vision, mission, goal, objective, business direction, strategic plan, operation plan and annual budget. The Board will express its opinions for a mutual understanding of the business's overview before making an approval. It will monitor the management to ensure that corporate goals will be achieved on the basis of the SET and SEC guidelines.

Nok Air has 12 directors who will stay in the office for three years each. Of this, one is from the management while the remaining 11 are non-executive directors. Five out of these are directors with independence based on criteria stated by the Office of the SEC which aligns with the SEC's regulation that requires listed companies to appoint independent directors equivalent at least to or more than one-third of their entire directors. Nok Air's Board of Directors consists of competent personnel from various industries ranging from business to accounting and finance, all of which are related and supporting Nok Air's business.

The Company's Article of Association requires one-third directors to resign at the Annual General Shareholders' Meeting (AGM). If the entire number of directors cannot exactly be divided into three portions, the closest number to one-third director who are to retire from their position in Year 1 and Year 2 after being listed shall do so using a drawing method. For subsequent years, directors who stay in their office for the longest period shall resign. However, directors resigning on rotation may be re-elected.

Independent directors are not able to hold office for more than 9 consecutive years and have completed their term in each agenda on the date of the annual general meeting of shareholders who are due to the expiration of term can be re-elected as a director as deemed appropriate by the Board of Directors.

In order to ensure the most benefit that the Company shall gain from the time devoted by the directors to perform their duties efficiently, the Board of Directors has set a policy for directors to hold positions in other listed companies, not exceeding 5 companies. However, this policy shall not be of any enforcement for the directors who have been holding the positions in more than 5 companies prior to the date of this announcement.

In the event that the Chief Executive Officer is appointed to be a director, sub-committee, working group, expert, advisor or any position in a company or other juristic person that is not working in the business of the Company, it must be approved by the board of directors before accepting the position.

The Company has set up an orientation for all new directors to be informed of the Company's information, rules, manuals, ethics, various policies, director's benefit, and sufficient relevant Company information before performing their duties, including presentation on the Company's business operations by the Chief Executive Officer and the Chief Operating Officer.

The Company requires non-executive directors to have a meeting among themselves and schedule meetings between independent directors at least once a year to discuss various important business issues that are beneficial to all stakeholders, with a summary of useful issues and suggestions for the Chief Executive Officer to acknowledge in order to further develop the relevant operations.

Nok Air has clearly divided roles and responsibilities between the Board of Directors and executives. While the Board will formulate policies and oversee the management of executives at a policy level, executives will execute corporate management in alignment with the policy.

Chairman of the Board is independent director and is not the same person as the Chief Executive Officer. The two have clearly-separated roles and responsibilities for the purpose of management balance. No one has an absolute power. Chairman of the Board has no relationship with the Company's management. The Chairman's role is to formulate a policy and to provide advice only. The Board appointed committees as below:

1. The Audit Committee is responsible for supervising the business of the Company. The Audit Committee consists of 3 members, all of whom are independent directors. The Audit Committee is responsible for monitoring the effectiveness of the audit work, risk management, financial and internal accounting controls, and financial reporting, as well as other duties as required by the Stock Exchange of Thailand and the Securities and Exchange Commission.
2. The Nomination and Remuneration Committee is responsible for overseeing the recruitment of persons with appropriate qualifications and being beneficial to the business of the Company to hold the position of director, chief executive officer and senior management to replace the position of Directors or high-level executives who are vacant, or have completed their terms to present to the Board of Directors for screening and/or holders Stocks for approval, as the case may be. The Nominating Committee has three members. The Chairman of the Nomination Committee is an independent director.
3. The Risk Management Committee is responsible for supervising, setting up guidelines and policies for managing risks that are significant to the business operations, as well as reporting to the Board of Directors for acknowledgment appropriately and adequately to the risks and Guidelines for risk management.
4. The Corporate Governance Committee assists in overseeing the Company's business to be in line with standard practices and focuses on promoting sustainable growth.
5. The Executive Committee is responsible for supporting the performance of the Board of Directors in accordance with the direction, policies, and business strategies as determined by the Board of Directors.

To supervise and help overseeing Nok Air's operation, Chief Executive Officer (CEO) has established five committees as follows:

1. The Management Committee (MC) whose role and responsibility is to formulate a business strategy, a business plan and budget to align with the corporate policy. The MC is also responsible for making decisions and orders under its authority entrusted by the Board. It will also act in accordance with what the Board of Directors has approved. In addition, the MC will supervise the management's performance to ensure that it aligns with what the Board has entrusted and the management's compliance with resolutions legally adopted by the Shareholders' Meeting and by the Board.
2. The People Management Committee is to manage and formulate internal rules and regulations and other related matters to meet the Company's policy.
3. The Commercial Management Committee will manage and formulate rules and regulations relating to commercial tasks, set ticket prices and plan flight schedules and flight routes to reflect the Company's policy.
4. The Operating Management Committee will manage and draft rules and regulations relating to flight operation and other matters to reflect the Company's policy.

5. The Safety Management System Committee will handle the safety management system within the Company to be in compliance with what the International Civil Aviation Organization (ICAO) has required.

In addition, the Board of Directors established an internal control system that covers all business areas, including finance and operations, in compliance with related laws, rules, and regulations. It provides effective checks-and-balances mechanism, with written operational regulations, to protect the Company's assets. The approval authority ranking and responsibilities are assigned to the executives and employees while the internal control department, working independently, oversees the operations of each department to ensure its compliance with regulations. The Department also evaluates the effectiveness and sufficiency of internal control within each department of company.



IMPLEMENTING CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES 2017

In 2017, the Office of the Securities and Exchange Commission has established the Good Corporate Governance Guidelines for Listed Companies 2017 (Corporate Governance Code 2017) ("CG Code"), which is a guideline for directors as the leader or the most responsible person of the organization to be used in supervising the business to have good performance in the long term. Most of the Guidelines of the CG Code are taken from the Guidelines of good corporate governance for listed companies in 2012 prepared by the Stock Exchange of Thailand. The content and sequence of presentation methods are updated and new issues are added to cover more for Roles, duties, and responsibilities of the Board of Directors, by aiming for listed companies to adopt practices to uphold the good corporate governance standards of the Thai capital market. In 2018, the Board of Directors, with recommendations from the Good Corporate Governance Committee, considered the Guidelines of good corporate governance for listed companies 2017 (CG Code 2017) to be applied according to the Apply or Explain Guidelines. Suitable for the context of the Company. By evaluating the performance according to the Guidelines of good corporate governance for listed companies 2017 (CG Code 2017) on each topic to ensure that operations are in line with such practices as appropriate for the business of the Company as follows:

Corporate Governance Code for Listed Companies 2017	Company Guidelines
PRINCIPLE 1 Establish Clear Leadership Role and Responsibilities of the Board	The Company specifies in the Charter of the Board of Directors the scope of duties and responsibilities, good practices to be used as the standard of performance of the Board of Directors.
Principle 1.1 The board should demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the company, and strengthen good governance, including: (1) defining objectives; (2) determining means to attain the objectives; and (3) monitoring, evaluating, and reporting on performance.	According to the Charter of the Board of Directors, the Board of Directors, as the representative of shareholders, has a role in overseeing the business to be in accordance with the laws, objectives, and regulations of the Company, including the guidelines of good corporate governance, with the goal, policy, and direction of the organization to create value for the business and return on investment to shareholders under by applying expertise and ethics in conducting business for the best interest of all stakeholders.
Principle 1.2 To achieve sustainable value creation, the board should exercise its leadership role and pursue the following governance outcomes: (1) competitiveness and performance with long - term perspective; (2) ethical and responsible business; (3) good corporate citizenship; and (4) corporate resilience.	The Company has established policies and guidelines in the good corporate governance policy of the Company in Chapter 3, the role of stakeholders. The directors are aware and recognize the rights of all groups of stakeholders, regardless of being an internal stakeholder, such as shareholders or investors, employees and external stakeholders, such as customers, partners, creditors, competitors, government and other agencies, including related communities, and the environment. Because the Company has received support from these various stakeholders, which enables the Company to have competitive capability, generate profit and sustainable growth for the Company. These stakeholders should be treated according to the rights that are in accordance with relevant laws.
Guideline 1.2.1 In evaluating the performance of the Company, the board should not just consider the Company's financial results but also take into account non - financial performance such as its ethical performance and impact on stakeholders, society and the environment.	The Company has established policies and guidelines for social and environment in the good corporate governance policy of the Company as follows: <u>Policy and guidelines for society / community</u> The Company has the policy to conduct business that is beneficial to the economy and society and adheres to the practice of being a good citizen and complying with all relevant laws and regulations without violating human rights as well as participating in promoting and enhancing the quality of life of society and communities. <u>Policies and practices concerning the environment</u> The Company has the policy to support various activities. That enhances the quality, occupational health, and environment, as well as maintains a safe working environment for employees' lives and property, while encouraging employees to have social and environmental responsibility by conducting activities that employees can have continuous participation.
Guideline 1.2.2 The Board of Directors plays an important role in creating and driving an ethical culture throughout the Company. The Board of Directors shall set an example as the leader of good governance.	The Company has the policy related to ethics and practices in the performance of duties of directors, executives, and employees (Code of conduct), policies for use of internal information, connected transaction policies, and policy to prevent conflicts of interest to be a guideline for the Board of Directors.

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<p>Guideline 1.2.3</p> <p>The Board of Directors should ensure there are written policies and guidelines for directors, executives, employees and staff of the Company such as a corporate governance policy, codes of ethics, and business conduct.</p>	<p>The Company has established a good corporate governance policy, and policy regarding ethics, and code of conduct for the directors, executives, and employees (Code of Conduct) with the objective is to do business lawfully and in accordance with various requirements and respect the rights of traders and customers of the Company.</p>
<p>Guideline 1.2.4</p> <p>The Board of Directors should ensure effective implementation including regular communication of the Company's policies and guidelines to all directors, executives, employees and staff. The board should ensure adequate mechanisms are in place for monitoring, reviewing and reporting compliance with the Company's policies and guidelines.</p>	<p>The Company communicates and distributes good corporate governance policies of the Company and other related policies via email, internal network systems (Nok Intranet), and the Company's website. (www.nokair.com) to allow directors, executives, and all employees to study, understand, and be able to apply to work, including an annual review of corporate governance policies.</p>
<p>Principle 1.3</p> <p>The board should ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties, and that the company operates in accordance with applicable law and standards.</p>	<p>The Company determines as one of the scope of duties and responsibilities of the Board of Directors, specified in the charter of the Board of Directors as follows:</p> <ul style="list-style-type: none"> - Perform duties in accordance with the laws, objectives, and articles of the Company as well as the resolutions of the shareholders' meeting with integrity, honesty, and carefully safeguard the interests of the Company.
<p>Guideline 1.3.1</p> <p>In assessing whether directors and executives have performed their fiduciary duties with the required responsibility, due care and loyalty, reference should be made to the applicable law and standards.</p>	<p>The Company has specified in the scope of duties and responsibilities of the Board of Directors, as specified in the charter of the Board of Directors in the relevant matters as follows:</p> <ol style="list-style-type: none"> (1) Perform duties in accordance with the laws, objectives, and the Articles of Association of the Company as well as the resolutions of the shareholders' meeting with integrity, honesty, and carefully safeguard the interests of the Company. (8) Consider and approve the acquisition or disposal of assets, investment in new businesses, and any actions in accordance with the laws, notifications, requirements, and related regulations. (9) Considering and/or giving opinions on connected transactions, and/or entering into transactions (In the case that the size of the transaction is not required to be approved by the shareholders' meeting) of the Company and its subsidiaries in accordance with the laws, notifications, requirements, and related regulations.
<p>Principle 1.4</p> <p>The board should demonstrate a thorough understanding of the division of board and management responsibilities. The board should clearly define the roles and responsibilities of management and monitor management's proper performance of its duties.</p>	<p>In accordance with the good corporate governance policy of the Company, Section 5: Responsibilities of the Board of Directors, it clearly defines the roles and responsibilities between the Board of Directors and the management.</p>
<p>Guideline 1.4.1</p> <p>The Board of Directors should adopt a written policy (such as a charter) that clearly sets out the roles and responsibilities of the board and management. The board should regularly review the policy at least once a year and also review the division of roles and duties of the Board of Directors President and Management Regularly to comply with the direction of the organization.</p>	<p>The Company has established the Charter of the Board of Directors and the good corporate governance policy to identify duties and responsibilities, good practices for use as the standard in the performance of the Board of Directors, and requires review of cooperate good governance policies of the Company at least once a year.</p>

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<p><u>Guideline 1.4.2</u></p> <p>The Committee should understand the scope of their duties and delegate authority to the management, which should be in writing. However, such an assignment is not to release the duties and responsibilities of the Board of Directors. The Board should also monitor the management to perform the duties as assigned.</p>	<p>The Company has set up an authority manual to carry out and approve expenses to be used as a basis for operations for the management. The Company determines the responsibility of the Board of Directors regarding the monitoring of the management in the scope of duties and responsibilities of the Board of Directors, as specified in the Board of Directors Charter in the relevant matters as follows:</p> <p>(3) Establish policies, business strategies, Plan and budget, monitoring and supervision, management of the executives, including the performance and quarterly performance of the Company compared to the plan and budget and considering the next trend of the year.</p>
<p>PRINCIPLE 2</p> <p>Define Objectives that Promote Sustainable Value Creation</p>	<p>The Company recognizes and gives importance to corporate governance that is in the way to create value for the business in a sustainable manner. Therefore, the Company's strategic plan has been set to cover all 4 dimensions.</p>
<p>Principle 2.1</p> <p>The board should define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the company.</p>	<p>In preparing the annual strategic plan, the Company places importance on 4 dimensions that promote sustainable growth for the organization, including Financial, Customer, Internal Process and People.</p>
<p><u>Guideline 2.1.1</u></p> <p>The Board of Directors should ensure that the Company has clearly defined objectives that support the Company's business model and communicate to everyone in the organization to drive in the same direction, which may be made into a vision and shared values of the organization (vision and values), or objectives and Guidelines (Guidelines and purposes), or otherwise.</p>	<p>The Company determines the responsibilities of the Board of Directors on relevant issues in the Charter of the Board of Directors, the scope of duties and responsibilities as follows:</p> <p>(2) Determine the vision, policy, and direction of the Company's operations, and supervise to ensure that it is in compliance with the policy effectively and efficiently to increase the maximum value for the Company and shareholders. The Company has defined the vision and core values of the organization and communicate to employees at all levels.</p>
<p><u>Guideline 2.1.2</u></p> <p>In achieving the main objective or goal, the board should form a business model to create sustainable value for the Company, stakeholders, and society as a whole. The board should take into consideration the following factors:</p> <p>(1) The Company's environment, including changes to business conditions and opportunities, and the Company's effective use of innovation and technology;</p> <p>(2) Customers and other stakeholders; and</p> <p>(3) Available resources and competitiveness of the Company</p>	<p>The Company understands the expectations of passengers using the service, therefore offering innovations for comfort, confidence of passengers and increasing competitiveness, such as choosing an aircraft with modern innovations, connecting services with Alliance flight, on-flight wifi service, and Nok Air Mobile service etc.</p>

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<p>Guideline 2.1.3</p> <p>The Company's values should reflect characteristics of good corporate governance, such as accountability, integrity, transparency and due consideration of social and environmental responsibilities.</p>	<p>The Company has determined that the core values of the Company are called 2BE SAFE, including:</p> <p>Be Creative is creative thinking, creating new things, striving to develop work, applying new concept and ideas to be better, different, flexible and adaptable.</p> <p>Be Courageous is dare to think, dare to do, dare to experiment in new things, dare to take responsibility, dare to fix, dare to accept the truth of what has happened and in what they do, and dare to find the cause of the problem.</p> <p>Safety is conscious of safety in all aspects, and strives to provide services with regard to flight safety with the highest international standards, applying the Just Culture Guideline to work and daily life.</p> <p>Accountability is to have responsibility for the duties in the assigned duties, perform with full intention, ready to be inspected and be responsible for the achievement of goals.</p> <p>Fun is to have a passion for work, work happily and enjoy, attentive, committed to every piece of work with pride, fun in working, create fun atmosphere with full of inspiration and forwarded to everyone around.</p> <p>Efficiency is to develop performance by focusing on cost savings, saving resources, saving time, maintaining professionalism and surpassing competitors.</p>
<p>Guideline 2.1.4</p> <p>The Board of Directors should promote a good corporate governance culture and strive to have the Company's objectives embedded in company-wide decision-making and conduct through every level of organization until becoming a corporate culture.</p>	<p>The Company promotes, supports and communicates the core values of the Company, as the DNA code, which is the main way to behave, thinking, and working philosophy for employees to adhere to and become creative, courageous, creative thinking, dare to do new things, focus on safety, take responsibility, use fun to work, improve efficiency and professionalism.</p>
<p>Principle 2.2</p> <p>The board should ensure that the company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objectives, while utilising innovation and technology effectively.</p>	<p>The Company has determined the duties and responsibilities of the Board of Directors in relation to overseeing the preparation of the main goals of the Company in the charter of the Board of Directors and the Company's good corporate governance policy.</p>
<p>Guideline 2.2.1</p> <p>The Board of Directors should supervise the preparation of strategies and annual plans in line with the objectives and main goals of the business, taking into account the current business environment as well as the acceptable opportunities and risks. The Board should also encourage the preparation or review of objectives, goals, and strategies for the medium to three to five years as well to ensure that the strategies and annual plans take into account the impact on a longer and more predictable period.</p>	<p>In accordance with the good corporate governance policy of the Company. Section 5 Responsibilities of the Board of Directors, the Board will oversee the preparation of visions, missions, goals, policies, operational directions, strategic plans, plans and budgets. The Board of Directors will share their opinions in order to understand the overall business together before the approval and monitoring the administration to adhere to the goals. And according to the charter of the Board of Directors on the scope of authority and responsibility in the relevant matters as follows:</p> <p>(3) Establish policies, business strategies, plans and annual budgets of the Company, monitoring and supervision, management and administration of the Executives, including the performance and quarterly performance of the Company compared to Budget plan and consider the next trend of the year.</p>

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<p>Guideline 2.2.2</p> <p>The Board of Directors should ensure that the Company's strategies and plans take into account all relevant factors influencing the value chain, including the Company's ecosystem, risks, resources, competitiveness, and stakeholders. The board should ensure that a mechanism for stakeholder engagement is in place that:</p> <ol style="list-style-type: none"> (1) Identify methods, procedures, channels of participation or communication channels between stakeholders with the business so that the business can access and receive information about the issues or needs of each group of stakeholders correctly and closely as possible. (2) Clearly identifies stakeholder groups (internal and external, short term and long term) including individuals, groups, and entities, such as employees and staff, investors, customers, business partners, communities, society, environment, government agencies and regulators. (3) Identify the issues and expectations of stakeholders to analyze and classify such issues according to the importance and impact that will occur to both the business and the stakeholders in order to select the important issues that will create value together with stakeholders and to be used to carry out the results. 	<p>The Company has established a good corporate governance policy to be used as a mechanism to understand the needs and respond to stakeholders, including risk identification, risk analysis in the formulation of strategies and annual plans by:</p> <ol style="list-style-type: none"> (1) The Company has communication channels with various stakeholders via email, company website (www.nokair.com), internal network (Nok Intrnet), and customer service center (Call Center). (2) Good Corporate Governance Policy of the Company in Section 3: Role of Stakeholders identify internal stakeholders including shareholders or investors, and employees; external stakeholders including customers, partners, creditors, competitors, government sectors, and other agencies, and related communities. (3) Corporate Governance Policy of the Company in Section 4: Disclosure and Transparency, the Board of Directors has the policy to disclose financial and other information related to the business and performance of the Company that is true, complete, adequate, consistent, timely, which shows the financial status and the real operating of the Company, including the future of the business.
<p>Guideline 2.2.3</p> <p>When developing strategies and plans, the board should promote innovation and the use of technology to enhance competitiveness, respond to stakeholder concerns and expectations, and meet social and environmental responsibilities.</p>	<p>Establishing an annual strategic plan and plan, the Company uses innovative and technological issues to consider to enhance competitiveness and meet the needs of all stakeholders on the basis of social and environmental responsibility.</p>
<p>Guideline 2.2.4</p> <p>The goals should be appropriate for the business environment and the potential of the business. The committee should set goals both monetary and non-monetary. In addition, should be aware of the risk of setting goals that may lead to illegal conduct or Lack of ethics (unethical conduct).</p>	<p>The Company has a policy on ethics and code of conduct for the duties of directors, executives and employees (Code of conduct) for legitimate business and must comply with various requirements and respect the rights of traders and Company customers.</p>
<p>Guideline 2.2.5</p> <p>The Board of Directors should ensure effective communication of the Company's objectives, goals, strategies, plans and targets throughout the Company.</p>	<p>The Company requires all parties to create goals and plans at the department level to be consistent with the goals and plans at the organizational level.</p>
<p>Guideline 2.2.6</p> <p>The Board of Directors should ensure proper resource allocation and effective systems and controls, and monitor the implementation of the Company's strategies and plans which may arrange for the responsible person to supervise and monitor the performance.</p>	<p>The Company requires the allocation of resources and operational control through the annual budgeting process that is consistent with the strategy and annual plan, with the need to have an agency to control, monitor and report.</p>
<p>PRINCIPLE 3</p> <p>Strengthen Board Effectiveness</p>	<p>The Company gives importance to enhancing the Board of Directors to perform their duties with efficiency and effectiveness and therefore has adopted the good corporate governance Guidelines as policies and guidelines.</p>
<p>Principle 3.1</p> <p>The board should be responsible for determining and reviewing the board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the company's objectives.</p>	<p>The Company has determined the composition and proportion of independent directors in the Charter of the Board of Directors and in the corporate governance policy of the Company in Chapter 5: Responsibilities of the Board.</p>

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<p>Guideline 3.1.1</p> <p>The Board of Directors should establish a skills matrix to ensure that the board consists of directors with appropriate and the necessary qualifications, knowledge, skills, experience, character traits, with an appropriate gender and age balance and diversity to achieve the objectives of the Company and the main goal in order to ensure that the Board of Directors is qualified, able to understand and respond to the needs of the stakeholders interests. At least one of the non-executive directors should be experienced and competent in the Company's main industry.</p>	<p>The directors are qualified under the Public Limited Companies Act and the Securities and Exchange Commission's announcement and must not have prohibited characteristics under the Securities and Exchange Act, including relevant laws and regulations. The Board of Directors has a variety of qualifications, knowledge, competence, and expertise, both in general and individual, by considering various skills, expertise and in line with business strategies.</p>
<p>Guideline 3.1.2</p> <p>The Board of Directors should determine the proper number of directors to function effectively. It must comprise at least 5 directors and should not be more than 12 directors, depending on the Company's size, type and complexity of the business.</p>	<p>According to the Company's good corporate governance policy, the Board of Directors has 12 members.</p>
<p>Guideline 3.1.3</p> <p>The proportion between executive directors and non-executive directors should support proper checks and balances, whereby:</p> <ol style="list-style-type: none"> The majority of the board should be non-executive directors, who exercise objective and independent judgement; There are a number and qualifications of independent directors in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as, ensuring that independent directors are able to work with the entire board efficiently and can express opinions freely. 	<p>According to the good corporate governance policy of the Company, the proportion of directors is divided into one director from the management and 11 members from non-executive directors, with five members of the independent directors according to the regulations of the Securities and Exchange Commission, which requires that the listed company must have the number of independent directors greater than or equal to 1 in 3 of the total number of directors.</p>
<p>Guideline 3.1.4</p> <p>The Board of Directors should explicitly disclose in the Company's annual report and on the website its diversity policies and details relating to directors, including directors' age, gender, qualifications, experience, shareholding percentage, years of service as director and director position in other listed companies.</p>	<p>The Company has determined that the Board of Directors consists of experts from a variety of industries including business, accounting and finance that are relevant and support all businesses, with disclosure of information in the annual report such as age, gender, education history, experience, shareholding proportion, number of year tenure as director, and a director of the listed company or elsewhere.</p>
<p>Principle 3.2</p> <p>The board should select an appropriate person as the chairman and ensure that the board composition serves the best interest of the company, enabling the board to make its decisions as a result of exercising independent judgement on corporate affairs.</p>	<p>Good Corporate Governance Policy of the Company in Chapter 5 Responsibilities of the Board of Directors: The Chairman of the Board of Directors must be an independent director and not the same person as the Chief Executive Officer. There is a clear separation of powers in order to counterbalance the management of which no one has total power. The Chairman does not have any relationship with the management of the Company and is only responsible for policy formulation and consultation.</p>
<p>Guideline 3.2.1</p> <p>The Chairman of the Board should be an independent director.</p>	<p>In the Company's good corporate governance policy, the Chairman of the Board of Directors is an independent director.</p>
<p>Guideline 3.2.2</p> <p>The chairman's roles and responsibilities are different from those of the chief executive officer. The board should clearly define the roles and responsibilities of both positions in order to prevent any one from having unlimited power, the two positions should be held by different individuals.</p>	<p>Good corporate governance policy of the Company that requires the Chairman of the Board of Directors not to be the same person as the Chief Executive Officer, with clearly defined authority and duties to counterbalance management and no one has total authority.</p>

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<p><u>Guideline 3.2.3</u></p> <p>The Chairman is responsible for leading the board. The chairman's duties should at least cover the following matters:</p> <ol style="list-style-type: none"> (1) Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve the Company's objectives; (2) Ensure that all directors contribute to the Company's ethical culture and good corporate governance; (3) Set the board meeting agenda by discussing with the chief executive officer which important matters should be included; (4) Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of the Company; (5) Strengthening good relations between directors who are executives and non-executive directors and between the board and management. 	<p>In the good corporate governance policy of the Company, determine the duties and responsibilities of the Chairman of the Board of Directors by being responsible for policy formulation and consulting only. However, the Chairman of the Board will play a role as the leader of the Board, which the Board has the scope of authority and duties as specified in the Board of Directors Charter.</p>
<p><u>Guideline 3.2.4</u></p> <p>If the roles and responsibilities of the chairman and the chief executive officer are not clearly separated, for instance, when the chairman and the chief executive officer are the same person, the chairman is not an independent director, the chairman and the chief executive officer are family members, or the chairman is a member of the management team or has been assigned a management role, the board should ensure the balance of power and authority of the board and between the board and management by:</p> <ol style="list-style-type: none"> (1) Having the board comprise a majority of independent directors, or; (2) Appointing a designated independent director to participate in setting the board meeting agenda. 	<p>The Company recognizes and gives importance to balancing the power between the Board of Directors and the management so the composition of both parties is defined in the Charter of the Executive Committee as follows:</p> <p>The Chairman of the Executive Committee must not be the same person as the Chairman of the Board of Directors and the Chief Executive Officer in order to clearly segregate roles and balance the power of operations unless approved by the Board of Directors.</p>
<p><u>Guideline 3.2.5</u></p> <p>The Board of Directors should establish the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of service. Upon completing nine years, an independent director may continue to serve on the board, subject to the board's rigorous review of his/her continued independence.</p>	<p>The Company determines the tenure of independent directors in the good corporate governance policy of the Company as follows:</p> <p>The independent directors are not able to hold office for more than 9 consecutive years and have completed their term on the date of the annual general meeting of shareholders that they are due to retire by the expiration of term. In this regard, the Board of Directors may propose the name of such director to the Annual General Meeting of Shareholders to consider re-election as the Board of Directors deemed appropriate.</p>
<p><u>Guideline 3.2.6</u></p> <p>The Board of Directors should appoint relevant committees to review specific matters, to screen information, and to recommend action for board approval; however, the board remains accountable for all decisions and actions.</p>	<p>The Board of Directors has appointed a sub-committee to consider specific issues, scrutinize information, and propose guidelines for consideration before proposing to the Board of Directors for approval, including:</p> <ul style="list-style-type: none"> • Audit Committee • Nomination and Remuneration Committee • Good Corporate Governance Committee • Risk Management Committee • Executive Committee

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<p><u>Guideline 3.2.7</u></p> <p>The Board of Directors should disclose the roles and responsibilities of the board and the committees, the number of meetings and the number of directors participating in meetings in the previous year, board and committee performance.</p>	<p>The Company discloses the roles and duties of the Board of Directors and sub-committees, the number of meetings and the number of times each director attended in the previous year and reports on the performance of every sub-committee in the annual report.</p>
<p>Principle 3.3</p> <p>The board should ensure that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the board.</p>	<p>The Board of Directors appoints the Nomination and Remuneration Committee to be responsible for the nomination of directors in accordance with the duties and responsibilities of the Nomination and Remuneration Committee Charter in order to obtain qualified directors, knowledge, experience and appropriate qualifications enabling integration to their duties effectively and efficiently.</p>
<p><u>Guideline 3.3.1</u></p> <p>The Board of Directors should establish a nomination committee. The majority of its members and the chairman should be independent directors.</p>	<p>The Board of Directors appoints the Nomination and Remuneration Committee consisting of 3 directors; 2 of them and the Chairman are independent directors.</p>
<p><u>Guideline 3.3.2</u></p> <p>The Nomination Committee should set the nomination criteria and process consistent with the skills matrix approved by the board and ensure that the candidate's profile meets the requirements set out in the skills matrix and nomination criteria. Upon proposal to and approval by the board of a candidate, the candidate is presented to the shareholders' meeting for election and appointment as a director. Shareholders should receive adequate prior notice and sufficient information about candidates up for election at the shareholders' meeting.</p>	<p>The Nomination and Remuneration Committee is responsible for overseeing the recruitment of persons with appropriate qualifications and being beneficial to the business of the Company in order to hold the position of director, chief executive officer and key executives in order to replace directors or High-level executives who are vacant or complete the term to present to the Board of Directors for consideration, screening and Shareholders for approval, as the case maybe. According to the Charter of the Nomination and Remuneration Committee, the Nomination and Remuneration Committee has a duty to consider policies and criteria for recruiting qualified persons to serve as directors, the Chief Executive Officer of the Company, and the high-level executives. Including selecting persons and nominating qualified persons to be presented to the Chief Executive Officer and/or the Board of Directors 'meeting and/or the shareholders' meeting to consider and appoint as a director. The Nomination and Remuneration Committee schedules the meeting at least once a year.</p>
<p><u>Guideline 3.3.3</u></p> <p>The Nomination Committee should present a description of the nomination criteria and process, and role and responsibilities of a particular appointment to the board before nominating new directors. If the nomination committee nominates current directors, their performance should be considered.</p>	<p>In appointing the Board of Directors, the Nomination and Remuneration Committee will consider the policy and criteria for recruiting qualified persons to hold the position of director to present to the Board of Directors and/or the shareholders' meeting for consideration to appointing as a director.</p>
<p><u>Guideline 3.3.4</u></p> <p>If the Board of Directors appoints any person as a consultant to the nomination committee, relevant information about that consultant should be disclosed in the annual report, including information about independence and conflicts of interest.</p>	<p>The Company does not have a consultant for the Nomination and Remuneration Committee.</p>

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<p>Principle 3.4</p> <p>When proposing director remuneration to the shareholders' meeting for approval, the board should consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentives for the board to lead the company in meeting its objectives, both in the short and long term.</p>	<p>The Company has determined the remuneration policy for directors and sub-committees by considering the connection with the performance and responsibilities of the directors, the operating results of the Company, and the overall economic situation, and to be at the level that can be motivated and comparable to the companies in the same industry.</p>
<p>Guideline 3.4.1</p> <p>The Board of Directors should establish a remuneration committee with the majority of its members and the chairman being independent directors. The remuneration committee is responsible for setting the remuneration policy.</p>	<p>The Board of Directors has appointed the Nomination and Remuneration Committee, consisting of 3 directors, with 2 in 3 directors and the Chairman being independent directors.</p>
<p>Guideline 3.4.2</p> <p>The Remuneration of the Board should be consistent with the Company's strategies and long-term objectives, and reflect the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director. Directors who have additional roles and responsibilities, such as a member of a committee, should be entitled to additional remuneration, comparable to industry practice.</p>	<p>Directors who are assigned to have additional duties and responsibilities will receive more compensation such as being a member of the sub-committee and the person who is the chairman will receive additional remuneration from the director.</p>
<p>Guideline 3.4.3</p> <p>Shareholders must approve the board remuneration structure, including level and pay components (both cash-based and non-cash compensation). The board should consider the appropriateness of each pay component, both in terms of fixed rates (such as retainer fee and attendance fee) and remuneration paid according to the Company's performance (such as bonus and rewards). The remuneration should reflect the values that the Company creates for shareholders taking a long-term perspective on company performance, and the pay level should not be too high so as to avoid the board excessively focusing on the Company's short-term results.</p>	<p>The Nomination and Remuneration Committee will determine the remuneration for directors and sub-committees, present to the Board of Directors for approval before proposing to the shareholders' meeting for approval.</p>
<p>Guideline 3.4.4</p> <p>The Board of Directors should disclose the directors' remuneration policy that reflects the duties and responsibilities of each individual, including the pay components and level received by each director. The remuneration disclosed for each director should also include remuneration for what each individual receives from holding directorship at the Company's subsidiaries.</p>	<p>The Nomination and Remuneration Committee will determine the remuneration for directors and sub-committees, present to the Board of Directors for approval before proposing to the shareholders' meeting for approval. The Annual General Meeting of Shareholders Year 2018 has considered the remuneration of the Board of Directors and Sub-Committees by disclosing details and remuneration for each director in the annual report.</p>
<p>Guideline 3.4.5</p> <p>If the Board of Directors appoints any person to consult with the remuneration committee, that consultant's information should be disclosed in the annual report, including information regarding independence and any conflicts of interest.</p>	<p>The Company does not have a consultant for the Nomination and Remuneration Committee.</p>

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<p>Principal 3.5</p> <p>The board should ensure that all directors are properly accountable for their duties, responsibilities and (in -) actions, and allocate sufficient time to discharge their duties and responsibilities effectively.</p>	<p>The Charter of the Board of Directors Requires that the director must be a person with knowledge, ability, honesty, ethics in business and have sufficient time to devote knowledge, ability and perform duties to the Company.</p>
<p><u>Guideline 3.5.1</u></p> <p>The Board of Directors should ensure that there is a mechanism to support directors in understanding their roles and responsibilities, and the time commitment expected from them.</p>	<p>The Company has defined the roles, duties, and responsibilities of the Board of Directors in the Charter of the Board of Directors, the Articles of Association, and the Company's good corporate governance policy for the directors to be acknowledge.</p>
<p><u>Guideline 3.5.2</u></p> <p>The Board of Directors should set and publicly disclose criteria limiting the number of director positions directors can hold simultaneously in other companies, and should consider the effectiveness of directors who hold multiple board seats. The number of companies of which a person can simultaneously be a director should be appropriate to the nature and types of businesses involved but should not exceed five listed companies. This is because the efficiency of the performance of duties as a director may be declined, if the director has held too many positions in many companies, therefore, it should have disclosed such rules.</p>	<p>The good corporate governance policy of the Company requires directors to hold positions in other listed companies, not more than 5 companies.</p>
<p><u>Guideline 3.5.3</u></p> <p>The Board of Directors should ensure reporting and public disclosure of directors assuming or holding positions at other companies.</p>	<p>The Company has prepared information on the report of other positions of directors and disclosure of other positions of directors in the annual report.</p>
<p><u>Guideline 3.5.4</u></p> <p>The Board of Directors should ensure that the Company's policies prohibit and prevent a director from creating a conflict of interest with the Company, including by using the Company's assets, information or opportunities for his or her own benefit, as a result of having or taking a director or management position, or having or creating vested interests, both directly and indirectly, in other companies. Information about a director's other directorships and positions should be reported to shareholders, as appropriate.</p>	<p>The Company has a policy in using internal information as a measure to prevent the use of insider information for the benefits of themselves and others, which is to take advantage of other shareholders, such as securities trading using inside information, the disclosure of internal information to persons related to directors and executives, which may cause damage to overall shareholders.</p>
<p><u>Guideline 3.5.5</u></p> <p>Each director should attend not less than 75 percent of all board meetings held in the year.</p>	<p>The Company does not specify the number of times that directors must attend the meeting. In the year 2018, the number of times that each director attended, representing 80.33 percent of the total number of board meetings.</p>
<p>Principle 3.6</p> <p>The board should ensure that the company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.</p>	<p>The Company has established the investment policy of the Company, investment policy in subsidiaries and associates, and management policies in such companies.</p>

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<p>Guideline 3.6.1</p> <p>The Board of Directors should ensure that the Company's governance framework and policies extend to its subsidiaries, including written policies relating to:</p> <ol style="list-style-type: none"> (1) The authority to appoint subsidiary directors, executives, or others with controlling power. Generally, the board should have the authority to appoint those persons, except for smaller operating subsidiaries which is the operating arms of the business, the board may delegate this authority to the chief executive officer. (2) Determine the scope of duties and responsibilities of the person who is the representative of the Company in accordance with (1) and allow the representative of the Company to ensure that the operation is in accordance with the policy of the subsidiary. In the case that the subsidiary has other investors, the board of directors should set the policy for the representative to act best for the interests of the subsidiary and in accordance with the parent company policy. (3) The subsidiary's internal control systems are effective and that all transactions comply with relevant law and standards. (4) The integrity and timely disclosure of the material information of the subsidiary, including its financial information, related party transactions, acquisition and disposition of assets and other important transactions, capital increases or decreases, and termination of a subsidiary. 	<p>The Company has the investment policy of the Company, investment policy in subsidiaries and associates, and management policies in such companies. By supervising the operations of the subsidiary company, the Company will send the representative of the Company to be a director in the subsidiary company, for which such person must have the qualifications and experience suitable for that business and there is no conflict of interest. The said representative must manage the business of the subsidiary in accordance with the policy approved by the Company and according to the rules and regulations as specified in the Company's regulations and the laws of the related subsidiary.</p> <p>In addition, the Company will closely monitor the operating results and operations of such businesses and present the results of the analysis as well as express opinions or recommendations to the Board of Directors of the subsidiaries, or associated companies, or jointly controlled entities for use in determining the policy or improving, encouraging businesses of subsidiaries, associates, or jointly controlled entities to have continuous development and growth.</p> <p>The request for investment approval must be in accordance with the announcement of the Capital Market Supervisory Board regarding the regulation on significant transactions subjecting to be an acquisition or disposition of assets, and the Notification of the Stock Exchange of Thailand regarding the disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets B.E. 2547 (2004)</p>
<p>Guideline 3.6.2</p> <p>For businesses that the Company has or plans to hold a significant investment in (such as between 20 percent and 50 percent of shares with voting rights), other than subsidiaries, the board should ensure that shareholder agreements or other agreements are in place to enable the Company's performance monitoring and participation in the businesses' management, including for approval of significant transactions and decisions. This is to ensure that the Company has sufficient, accurate, and timely information for the preparation of its financial statements that conform with relevant standards.</p>	<p>The Company has established an agreement on the power of management and participation in decision making with the joint venture company.</p>
<p>Principle 3.7</p> <p>The board should conduct a formal annual performance evaluation of the board, its committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the board.</p>	<p>In 2018, the Company provides annual performance evaluation of the Board of Directors, sub - committees, and individual directors.</p>
<p>Guideline 3.7.1</p> <p>The board's, committee's and individual directors' performance evaluation should be conducted at least once a year to facilitate consideration and improvement of the board's performance and effectiveness and resolution of any problems. Assessment criteria and process for the board's, committees' and directors' performance should be systematically set in advance.</p>	<p>The Company requires annual performance evaluation of the Board of Directors and sub - committees to allow the Board to jointly consider the work and problems for improvement and to apply the assessment results for the further development of practice.</p>

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<p>Guideline 3.7.2</p> <p>The annual assessment of the performance of the board and committees as a whole and on an individual director level should be based on self-evaluation, or alternatively, on cross-evaluation together with self-evaluation. The criteria, process, and results of the evaluation should be disclosed in the annual report.</p>	<p>The Company has determined the performance evaluation of both as a whole and on an individual. The Company secretary will distribute the assessment form to all directors to evaluate and return to the Company for further analysis of the assessment results.</p> <p>The criteria for evaluating performance cover important issues as follows:</p> <ol style="list-style-type: none"> 1. Structure and qualifications of the Board of Directors; 2. Roles, duties and responsibilities of the Board of Directors; 3. Board meeting; 4. Directors' duties; 5. Relationship with management; 6. Self-development of directors and executive development.
<p>Guideline 3.7.3</p> <p>The Company should appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report.</p>	<p>The Company uses the sample of the evaluation form prepared by the Stock Exchange of Thailand to consider as a guideline for the evaluation of the performance of the Board of Directors.</p>
<p>Guideline 3.7.4</p> <p>The evaluation results of the committee should be used to consider the suitability of the board composition.</p>	<p>The Company will use the evaluation results and comments to summarize the analysis results to determine as a guideline for increasing the effectiveness of the Board of Directors in accordance with the good corporate governance principles.</p>
<p>Principle 3.8</p> <p>The board should ensure that the board and each individual director understand their roles and responsibilities, the nature of the business, the company's operations, relevant law and standards, and other applicable obligations. The board should support all directors in updating and refreshing their skills and knowledge necessary to carry out their roles on the board and board committees.</p>	<p>The Company has arranged an orientation to introduce important and useful information about the business and encourage directors to attend training to enhance skills and knowledge.</p>
<p>Guideline 3.8.1</p> <p>The Board of Directors should ensure that newly appointed directors receive a formal and proper induction and all information relevant to their responsibilities and performing their duties, including details about the Company's objectives, the nature of the business, and the Company's operations.</p>	<p>The Company has set up an orientation for every new director to ensure that the person appointed as a new director will receive advice and information that is useful for performing duties, including understanding of the objectives, main goals, vision, mission, values, and the nature of the business and the business direction of the Company.</p>
<p>Guideline 3.8.2</p> <p>The Board of Directors should ensure that directors regularly receive sufficient and continuous training and knowledge development.</p>	<p>The Company places importance on enhancing skills and knowledge for the performance of duties of directors. The Company therefore encourages directors to attend training and develop necessary knowledge continuously.</p>
<p>Guideline 3.8.3</p> <p>The Board of Directors should have knowledge and understanding of relevant law and standards, and other applicable obligations, risk factors, and the Company's business environment. The board should receive accurate, timely and clear information, including timely and regular updates.</p>	<p>The Board of Directors consists of qualified people from a variety of industries, including business, accounting and finance, which are related to and support the entire company business and are informed of current information from management reports.</p>
<p>Guideline 3.8.4</p> <p>The Board of Directors should disclose in the annual report training and knowledge development of the board.</p>	<p>The Company has disclosed the training and knowledge development of the board in the annual report.</p>

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<p>Principle 3.9</p> <p>The board should ensure that it can perform its duties effectively and have access to accurate, relevant and timely information. The board should appoint a company secretary with necessary qualifications, knowledge, skills and experience to support the board in performing its duties.</p>	<p>The Company has prepared various channels to allow the board to access the necessary information quickly and easily, and the board of directors appoints the Company secretary who has the knowledge, ability, and experience necessary and appropriate to support the operations of the Board.</p>
<p>Guideline 3.9.1</p> <p>The board's meeting schedule and agenda should be set in advance and each director should receive sufficient notice to ensure attendance.</p>	<p>The Company has set the meeting dates in advance for the whole year so that the directors can arrange time and attend the meeting.</p>
<p>Guideline 3.9.2</p> <p>The number of board meetings should be appropriate to the obligations and responsibilities of the board and nature of the business, but the board should meet at least six times per financial year. If the board meetings are not held monthly, the board should receive a report from the Management on the Company's performance for the months in which the board does not hold a board meeting, so that it can monitor management and company performance continuously and promptly.</p>	<p>The Company requires the Board of Directors meeting every month.</p>
<p>Guideline 3.9.3</p> <p>The Board of Directors should ensure that there are mechanisms for each director, including the management, to freely propose matters that are beneficial to the Company into the meeting agenda.</p>	<p>The Company allows directors and management to propose matters that are beneficial to the Company into the meeting agenda.</p>
<p>Guideline 3.9.4</p> <p>Meeting documents should be sent to each director at least five business days before the meeting.</p>	<p>The Company sends the invitation letter to the meeting and supporting documents to the meeting for consideration by the directors at least 7 days in advance, except in urgent cases.</p>
<p>Guideline 3.9.5</p> <p>The Board of Directors should encourage the chief executive officer to invite key executives to attend board meetings to present details on the agenda items related to matters that they are directly responsible for, and to allow the board to gain familiarity with key executives and assist succession planning.</p>	<p>The Company has a policy to encourage key executives to attend the Board of Directors' meetings in order to provide additional useful information for decision-making and for the Board of Directors to know key executives which is useful for considering succession plans.</p>
<p>Guideline 3.9.6</p> <p>The Board of Directors should have access to additional necessary information from the President, Company Secretary, or other executives assigned within the scope of the specified policy. If it is necessary to discharge their responsibilities, the board may seek independent professional advice at the Company's expense.</p>	<p>The Board of Directors can access additional necessary information through the Chief Executive Officer, Company Secretary, or key executives according to the relevant line.</p>
<p>Guideline 3.9.7</p> <p>The Board of Directors should be considered as a policy for non-executive directors to have the opportunity to meet among themselves as necessary in order to discuss various management-related issues without the management team and should notify the Managing Director to acknowledge of the meeting results.</p>	<p>The Company has set in good corporate governance policy that the non-executive directors convene among themselves and schedule meetings between independent directors at least once a year to discuss various important business issues which are beneficial to all stakeholders. It shall provide a summary of useful issues and suggestions for the Chief Executive Officer to acknowledge in order to further develop the relevant operations.</p>

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<p><u>Guideline 3.9.8</u></p> <p>The Board of Directors should appoint a company secretary with the necessary qualifications, knowledge, skills, and experience for performing his/her duties, including providing advice on corporate governance, legal, regulatory and administrative requirements, preparing board meetings and other important documents, supporting board meetings, and coordinating the implementation of board resolutions. The board should disclose the qualifications and experience of the Company secretary in its annual report and on the Company's website.</p>	<p>According to the Board of Directors Charter, it is the duty of the Board of Directors to appoint the Company Secretary to ensure that the Board of Directors and the Company comply with various relevant laws and regulations.</p>
<p><u>Guideline 3.9.9</u></p> <p>The Company secretary should receive ongoing training and education relevant to performing his/her duties. If there is any certified programme, the Company secretary should attend such training courses as well.</p>	<p>The Company encourages the Company secretary to receive training and continuous knowledge development every year for the benefit of performing duties. By Ms. Sunan Vitavasaphongthorn, Company Secretary, has received training and knowledge development in the certification program from the Thai Institute of Directors Association (IOD) as follows:</p> <ul style="list-style-type: none"> • CSP - Company Secretary Program (CSP 1/2002) • BRP - Board Reporting Program (BRP 12/2013) • CRP - Company Reporting Program (CRP 7/2013) • CSP - Company Secretary Program (CSP 61/2015) <p>In the year 2018, Ms. Sunan Vitavasaphongthorn, the Company Secretary, attended the seminar as follows:</p> <ul style="list-style-type: none"> • Guidelines for preparing Disclosure of information according to the new CG Code organized by the Thai Listed Companies Association and the Securities and Exchange Commission. • Enhance Efficiency and Growth through Process Innovation organized by the Stock Exchange of Thailand
<p>PRINCIPLE 4</p> <p>Ensure Effective CEO and People Management</p>	<p>The Company has established policies and guidelines for recruiting key executives, promoting executive development, and a fair human resource management system.</p>
<p>Principle 4.1</p> <p>The board should ensure that a proper mechanism is in place for the nomination and development of the chief executive officer and key executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the company to achieve its objectives.</p>	<p>The Nomination and Remuneration Committee will be responsible for recruiting the Chief Executive Officer, and key executives who are qualified and beneficial to the business operations of the Company for submission to the Board of Directors for consideration. The Company encourages key executives to develop the knowledge and skills necessary to drive the Company.</p>
<p><u>Guideline 4.1.1</u></p> <p>The Board of Directors should establish, or assign the nomination committee to establish, the criteria and procedures for nomination and appointment of the chief executive officer.</p>	<p>The Board of Directors has assigned the Nomination and Remuneration Committee to consider policies and criteria for recruiting qualified persons to serve as Chief Executive Officer.</p>
<p><u>Guideline 4.1.2</u></p> <p>The Board of Directors should ensure that the chief executive officer appoints knowledgeable, skilled, and experienced key executives. The board or the nomination committee together with the chief executive officer should establish the criteria and procedures for nomination and appointment of key executives. At least the Board of Directors or the Nomination Committee should collaborate with the chief executive officer to consider the criteria and procedures for recruiting and appointing individuals, approving the person proposed by the chief executive officer to be the key executives.</p>	<p>The Board of Directors has assigned the Nomination and Remuneration Committee to consider policies and criteria for recruiting qualified persons to hold key executives positions as well as selecting persons and nominating qualified persons to propose to the Chief Executive Officer.</p>

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<p>Guideline 4.1.3</p> <p>To ensure business continuity, the board should ensure that development and succession plans for the chief executive officer and key executives are in place. The chief executive officer shall report the performance of the succession plan to the Board for acknowledgment periodically at least once a year.</p>	<p>The Company has established Eagle Leadership Programme (ELP) and Management Trainee projects in order to prepare for the succession of key executives.</p>
<p>Guideline 4.1.4</p> <p>The Board of Directors should promote continuous development and education of the chief executive officer and key executives that is relevant to their roles.</p>	<p>The Company encourages and supports those of the Chief Executive Officer and key executives to receive training and development to increase knowledge and experience that is beneficial to the operation. In the year 2018, there were key executives attending the development and training held within the Company as follows:</p> <ol style="list-style-type: none"> 1. Mr. Chairat Sangchan <ul style="list-style-type: none"> - Director Accreditation Program (DAP) 153/2561 - Workshop on "Risk Management" - Promoting good governance and good corporate governance 2. Mr. Norahuch Ployyai <ul style="list-style-type: none"> - Workshop on "Risk Management" - Promoting good governance and good corporate governance 3. Mr. Thaveechai Ashareyaphadkul <ul style="list-style-type: none"> - Workshop on "Risk Management" - Promoting good governance and good corporate governance 4. Ms. Pawinee Chayavuttikul <ul style="list-style-type: none"> - Workshop on "Risk Management"
<p>Guideline 4.1.5</p> <p>The Board of Directors should establish set clear policies and guidelines for the chief executive officer and key executives serving or wishing to serve as a director in other companies. The policies should set out permissible appointments and the permissible number of companies in which they are allowed to simultaneously serve as a director.</p>	<p>The Company has established policies and procedures for holding positions as directors, sub-committees, working groups, experts, resource person, consultants, or any positions in the Company or other juristic persons that are not operating in the business of the Company of the Chief Executive Officer in the good corporate governance policy of the Company.</p>
<p>Principle 4.2</p> <p>The board should ensure that an appropriate compensation structure and performance evaluation are in place.</p>	<p>According to the Charter of the Board of Directors, it is responsible for determining the framework and policy for determining salaries, salary increases, determining bonuses, compensation, and reward for employees of the Company.</p>

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<p>Guideline 4.2.1</p> <p>The Board of Directors should ensure that the compensation structure rewards individual performance, incentivizes the chief executive officer, key executives, employees and staff at all levels to act in support of the Company's objectives and values, and fosters long-term commitment by aligning incentives with future company performance through:</p> <ol style="list-style-type: none"> (1) Appropriate combination of salary and other short-term compensation (such as bonus), and long-term compensation (such as employee stock ownership plan participation), (2) Ensure that the individual total compensation takes into account industry standards and company performance, and (3) Predetermined and communicated performance evaluation criteria. 	<p>The Nomination and Remuneration Committee will review the policies and criteria relating to the determination of remuneration and benefits of the Company's directors, the Chief Executive Officer of the Company, and key executives and provide recommendations to the Board of Directors for proposing remuneration for directors, Chief Executive Officer and key executives of the Company to the Board of Directors and/or the shareholders' meeting for approval. For the Chief Executive Officer and the key executives, they will receive compensation in the form of salary, bonus, and other rewards such as social security, provident fund, placement fee, transportation fee, etc. However, the bonus given to the management of the Company will be considered from the operating profits and the performance of each executive. In addition to the monetary compensation, the management of the Company has also received the ticket benefits in the route that the Company provides. The Company requires the Chief Executive Officer to determine the wage rate, salary, compensation, bonus, and various benefits for employees.</p>
<p>Guideline 4.2.2</p> <p>Non-executive directors are responsible for determining the total compensation of, and performance evaluation criteria for the chief executive officer. The non-executive directors should:</p> <ol style="list-style-type: none"> (1) Ensure that the chief executive officer's performance evaluation should incentivize the chief executive officer to perform his/her duties in support of the Company's objectives, values, and long-term sustainable value creation. The performance evaluation is based on pre-determined criteria that have been communicated to the chief executive officer in advance. (2) Perform, or delegate to the remuneration committee, the annual performance evaluation of the chief executive officer. The chairman or a designated senior director should communicate the results (including development areas) of the performance evaluation to the chief executive officer. (3) Approve total annual compensation of the chief executive officer, taking into consideration the performance of the chief executive officer and other relevant factors. 	<p>The Board of Directors Charter requires the Board of Directors to regularly evaluate the performance of the management and to oversee the appropriate remuneration management system.</p>
<p>Guideline 4.2.3</p> <p>The Board of Directors should approve the performance evaluation criteria and overall compensation structure of key executives. In addition, the board should ensure that the chief executive officer evaluates the performance of key executives based on clear and predetermined performance evaluation criteria.</p>	<p>The Board of Directors appoints the Nomination and Remuneration Committee to consider and review the policies and criteria for determining the remuneration and benefits of the Company's directors, the Chief Executive Officer of the Company, and key executives and providing recommendations to the Board of Directors to propose remuneration for directors, Chief Executive Officer and key executives of the Company to the Board of Directors' meeting, and/or the shareholders' meeting for approval.</p>
<p>Guideline 4.2.4</p> <p>The Board of Directors should ensure that clear and predetermined performance evaluation criteria are in place for all employees and staff throughout the Company.</p>	<p>The Company has set an annual performance evaluation of employees at all levels. The criteria and assessment factors will depend on the goals and responsibilities as well as other elements associated.</p>

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<p>Principle 4.3</p> <p>The board should consider its responsibilities in the context of the company's shareholder structure and relationships, which may impact the management and operation of the company.</p>	<p>The Company provides information about the structure of the shareholders to the new directors on the orientation day.</p>
<p><u>Guideline 4.3.1</u></p> <p>The Board of Directors should understand the Company's shareholder structure and relationships, and consider their impact on the control over the Company, including written and non-written family agreements, shareholder agreements, or group company policies.</p>	<p>The Company has established a management policy for subsidiaries, associates, and jointly controlled entities to supervise the operations of subsidiaries.</p>
<p><u>Guideline 4.3.2</u></p> <p>The Board of Directors should ensure that the agreement under item 4.3.1 do not affect the board's exercise of its duties and responsibilities, including in relation to succession planning, in the best interest of the Company.</p>	<p>In order to build confidence for shareholders and investors that the operation of the Company will sustain, the Company has established a succession plan to develop and prepare for future positions by selecting persons who are in the appropriate criteria to be considered for succession.</p>
<p><u>Guideline 4.3.3</u></p> <p>The Board of Directors should oversee that information is properly disclosed when there are any conditions that have an impact on the control over the Company.</p>	<p>The Board of Directors stipulates that directors and executives disclose information about their interests and related parties so that the Board of Directors can consider transactions of companies that may have conflicts of interest and can make decisions for the benefit of the Company as a whole. The directors and executives who have a vested interest in transactions with the Company should not participate in the decision making of such transactions. The Company has, therefore, formulated a policy guideline to prevent conflicts of interest.</p>
<p>Principle 4.4</p> <p>The board should ensure the company has effective human resources management and development programmes to ensure that the company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff.</p>	<p>The Company gives importance to the management and development of human resources by providing a fair management system, developing personnel potential, enhancing the working attitude to create people to be the driving force for the organization in the long term.</p>
<p><u>Guideline 4.4.1</u></p> <p>The Board of Directors should ensure that the Company is properly staffed, and that human resources management aligns with the Company's objectives and furthers sustainable value creation. All employees and staff must receive fair treatment to maintain the competent personnel of the organization.</p>	<p>One of the main goals of the Company that is not a financial dimension is people dimension. The Company has established a human resource management plan that is consistent with the Company's goals and strategies to ensure that employees at all levels have knowledge, ability, engagement with the organization, and are treated fairly.</p>
<p><u>Guideline 4.4.2</u></p> <p>The Board of Directors should ensure that the Company establishes a provident fund or other retirement plan, in order to ensure that employees have sufficient savings to support retirement and require management to encourage employees to have a better understanding of money management, investment policy selection that is consistent with the age range, risk level and educates employees and staff on life path investments.</p>	<p>The Company established a provident fund on 13 July 2011 with the SCB Asset Management Company Limited for the purpose of promoting long-term employee savings, ensuring employees and families in the event of leaving, retirement or death. In addition, the provident fund is an incentive for employees to work with the Company for a long time, creating a good relationship between employers and employees.</p>

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PRINCIPLE 5 Nurture Innovation and Responsible Business	The Company pays attention to innovation and business operations, taking into account social and environmental responsibilities.
Principle 5.1 The board should prioritise and promote innovation that creates value for the company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the company.	The Company pays attention and promotes the creation of innovations that are beneficial to the business and are responsible for society and the environment from the production process, such as the selection of models that help save energy, reduce emissions, etc.
<u>Guideline 5.1.1</u> The Board of Directors should prioritize and promote a corporate culture that embraces innovation and ensure management's inclusion of innovation in corporate strategy, operational development planning, and operation monitoring.	The Company is focused on creating a corporate culture that promotes innovation and therefore it is designated as one of the Company's core values "Be Creative", by encouraging staff to think creatively, commitment, development, flexibility and adaptability, create something new, differences. In addition, the Company has taken part in the strategic plan, developing various systems to aim for efficiency and effectiveness in operations.
<u>Guideline 5.1.2</u> The Board of Directors should nurture innovation that enhances long-term value creation for the business in a changing environment. Such innovation may include designing innovative business models, products and services, promoting research, improving production and operation processes, and collaborating with partners.	The Company offers new innovations for the convenience of passengers, such as connecting flights with partner airlines, Value Alliance, on -flight WIFI service, and Nok Air Mobile services to add new options that are convenient to both booking and managing through mobile phone on all operating systems (iOS and Android).
Principle 5.2 The board should encourage management to adopt responsible operations, and incorporate them into the company's operations plan. This is to ensure that every department and function in the company adopts the company's objectives, goals, and strategies, applying high ethical, environmental and social standards, and contributes to the sustainable growth of the company.	The Company is aware of being a part of environmental care by finding ways to reduce the use of natural resources in the production process and service is important by choosing to use the Boeing 737 -800 New Generation aircraft with the use of modern innovations like Carbon Brake has important features to help reduce the weight of the aircraft, helping to save fuel and reduce carbon dioxide emissions. In addition, the Company has developed the Boarding Pass in the mobile phone. Passengers can check in online via Mobile Application to help reduce the use of paper resources as a campaign to help reduce global warming.

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<p><u>Guideline 5.2.1</u></p> <p>The Board of Directors should ensure that there is a mechanism that ensures that the business operates ethically, has responsibility to society and the environment, does not violate the rights of stakeholders as a guideline for all parts of the organization to sustainably achieve the objectives and the main goal by creating policies and procedures for running the business should at least cover:</p> <ol style="list-style-type: none"> (1) Responsibilities to employees, staff, and workers at least by adhering to applicable law and standards and providing fair treatment and respect for human rights, including a fair level of remuneration and other benefits, a level of welfare that is not less than the legal limit but can be over the legal limit where appropriate, health care, non-discrimination and safety in the workplace, access to relevant training, potential skills development and advancement. (2) Responsibilities to customers at least by adhering to applicable law and standards, considering impact on health, safety of products and services, customer information security, sales conduct, after-sales service throughout the lifespan of products and services, and following up on customer satisfaction measurements to improve the quality of products and services. In addition, advertising and public relations, including advertising, public relations and sales conduct, must act responsibly, do not cause misunderstandings, or take advantage of customer misunderstandings. (3) Responsibilities to business partners by engaging in and expecting fair procurement and contracting, including fair contract or agreement conditions, providing access to training, developing potential and enhancing production and service standards in line with applicable law and standards, and expecting and supervising business partners to respect human rights, social and environmental responsibilities, and treat their employees, staff, and workers fairly including ensuring that business partners have implemented sustainable. (4) Responsibility to the community by bringing knowledge and business experience to develop projects that can create benefits for the community in concrete ways, monitoring and measuring progress and long-term success. (5) Responsibilities to the environment by preventing, reducing and managing negative impact on the environment from all aspects of the Company's operations, including in the context of raw material use, energy use, (For production, transportation or in the office) water use, renewable resources use, rehabilitating the diversity of biology, waste management, and greenhouse gas emissions. (6) Fair competition by conducting business openly, transparently and without creating unfair competitive advantages. (7) Anti-fraud and corruption by ensuring that the Company complies with applicable anti-fraud and corruption law and standards, and implements, announces and reports on anti-fraud and corruption policies and practices to the public, including on its participation in private sector anti-corruption initiatives and certification programmes. The board should encourage the Company to collaborate with other companies and business partners to establish and implement anti-fraud and corruption measures. 	<p>The Board of Directors recognizes and recognizes the rights of all stakeholders, whether they are internal stakeholders, including shareholders or investors, employees and external stakeholders, including customers, partners, creditors, competitors, Government, and other agencies, including related communities. Since the Company has received support from these different stakeholders, which allows the Company to create competitiveness, generate profits, and sustainable growth for the Company. These stakeholders should be supervised according to the rights that are in accordance with relevant laws. The Board of Directors has therefore formulated policies and guidelines in the good corporate governance policy. The roles of stakeholders include:</p> <ul style="list-style-type: none"> • Policy and practices for employees; • Policies and practices to shareholders or investors; • Policies and practices to customers; • Policies and practices for trade partners/or creditors; • Policies and practices for competitors; • Policies and practices to the society / community; • Environmental policies and practices <p>In addition, the Company has set up a policy to anti-fraudulent or corruption so that the Board of Directors, executives and employees can adhere to as a guideline for proper conduct, in accordance with business ethics, and employee ethics.</p>

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<p>Principle 5.3</p> <p>The board should ensure that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the company to meet its objectives.</p>	<p>According to the quality policy, safety, and security of the Company, the Company has allocated appropriate and sufficient resources to meet the requirements of the quality, safety and security system. All executives and supervisors are responsible for driving and developing and improving such management systems continuously and efficiently.</p>
<p><u>Guideline 5.3.1</u></p> <p>The Board of Directors should have a thorough understanding of the Company's resource needs to support its business model, and how available resources correlate.</p>	<p>The Company recognizes the necessity and impact on each other's important resources, including finance, production, wisdom, personnel, society and relationships, and nature. Therefore, the impact on these resources is taken into account in determining Goals and create a strategic plan of the Company, including taking into account the relevant risk factors.</p>
<p><u>Guideline 5.3.2</u></p> <p>The Board of Directors should have a thorough understanding of how the business model differently affects resources optimization. Therefore, in deciding to choose a business model, it should take into account the impact and value that will occur on the resource, still based on ethics, responsibility and creating value for the business sustainably.</p>	<p>The Company recognizes the use of resources in a cost-effective manner and maximizes benefits by considering the impact and value that will occur on resources as well as being based on ethics, responsibility, and sustainability of the organization.</p>
<p><u>Guideline 5.3.3</u></p> <p>The Board of Directors should ensure that management continuously reviews, adapts, and develops the Company's use and optimization of resources by always considering internal and external factors to meet the Company's objectives.</p>	<p>The Company has reviewed the use of resources to ensure efficiency and effectiveness, taking into account changes in internal and external factors such as aircraft allocation to suit the needs of each flight route, focus on aircraft for maximum efficiency and consideration of passenger safety. In addition, the Company has a policy to limit the type of aircraft to a minimum, which will result in cost savings in aircraft maintenance and the flexibility of using pilots.</p>
<p>Principle 5.4</p> <p>The board should establish a framework for governance of enterprise IT that is aligned with the company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the company's objectives.</p>	<p>The Company recognizes and gives importance to information technology in increasing business opportunities and developing operations, risk management in order to achieve its goals.</p>
<p><u>Guideline 5.4.1</u></p> <p>The Board of Directors should ensure that the Company has an IT resource allocation policy that ensures adequate and optimal investment in and allocation of IT resources for business operating and setting guidelines to support in the event that the resources cannot be allocated sufficiently as specified.</p>	<p>The Company has established a policy to manage information security systems to ensure that information assets are systematically managed, secure, evaluated, reviewed, audited, and regularly developed.</p>
<p><u>Guideline 5.4.2</u></p> <p>The Board of Directors should ensure that the Company's risk management includes IT risk management.</p>	<p>The Company focuses on information technology risk management. Therefore, the relevant policies have been formulated, such as information security management policy and information security policy.</p>
<p><u>Guideline 5.4.3</u></p> <p>The Board of Directors should ensure that IT security policies and procedures are in place.</p>	<p>The Company has established an information security policy as a framework for overseeing and managing the information technology of the Company.</p>

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PRINCIPLE 6 Strengthen Effective Risk Management and Internal Control	The Company has set up a risk management committee and an organization's risk management unit to oversee the risk management of the organization, and also requires an audit committee, and internal audit department to supervise the internal control system.
Principle 6.1 The board should ensure that the company has effective and appropriate risk management and internal control systems that are aligned with the company's objectives, goals and strategies, and comply with applicable law and standards.	The Board of Directors appoints the Risk Management Committee and the Audit Committee to supervise the risk management system and internal control in order to ensure that the Company has appropriate risk management and internal control systems, and in accordance with laws and international standards.
Guideline 6.1.1 The Board of Directors should be aware of and understand the nature and scope of the Company's principal and substantial risks and should approve the risk appetite of the Company.	The Risk Management Committee is responsible for overseeing, setting up guidelines and policies for managing risk that are significant to the business operation, as well as reporting to the Board of Directors to acknowledge the risks and guidelines for managing risk appropriately and adequately. The Risk Management Committee will bring the risk appetite of the Company to the Board of Directors for approval.
Guideline 6.1.2 The Board of Directors should ensure the establishment and implementation of risk management policies that are consistent with the Company's goals, objectives, strategies and risk appetite as a framework for operational risk management processes of the organization into the same direction. The risk management policies should support identification and prioritization of early warning signals of material risks. The risk management policies should be reviewed regularly, such as annually.	The Risk Management Committee is responsible for determining the risk management policy in accordance with the direction, strategy, business operation and business plan and finally submitting to the Board of Directors for approval.
Guideline 6.1.3 The Board of Directors should ensure that the Company identifies risks by considering both external and internal factors that may result in the Company being unable to achieve the specified objectives.	The Company has implemented a risk management plan in which the risk identification process has been considered both external and internal factors.
Guideline 6.1.4 The Board of Directors should ensure that the impact and likelihood of identified risks are assessed and prioritized, and that suitable risk mitigation strategies and plans are in place.	In the risk assessment process, the Company has assessed the impact and assessed the likelihood of the risk in order to prioritize the risk and determine the appropriate risk management methods.
Guideline 6.1.5 The Board of Directors can assign the Risk Management Committee or the Audit Committee to scrutinize Guidance 6.1.1 - 6.1.4 before proposing to the Board for consideration as appropriate for the business.	The Board of Directors has appointed and assigned the Risk Management Committee to scrutinize significant risks of the Company, formulate a risk management policy consistent with the direction of business strategy and business plan, identifying risk that considers both external and internal factors that may result in the Company being unable to achieve the stated objectives, assessing the impact and opportunity of the risks identified to prioritize the risks, and providing appropriate risk management methods before proposing to the Board of Directors for consideration.

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<p>Guideline 6.1.6</p> <p>The Board of Directors should regularly monitor the effectiveness of the Company's risk management.</p>	<p>According to the charter of the Risk Management Committee, the Risk Management Committee is required to assess the effectiveness of risk management to the Board of Directors every quarter.</p>
<p>Guideline 6.1.7</p> <p>The Board of Directors has to ensure and monitor that the Company complies with relevant and applicable law and standards, whether domestic, international or foreign.</p>	<p>The Company has a policy on ethics and code of conduct for the duties of directors, executives and employees (Code of conduct) with the objective of doing business lawfully and must meet various requirements and respect the rights of Traders and customers of the Company.</p>
<p>Guideline 6.1.8</p> <p>In the case that the Company has significant subsidiaries or other businesses that the Company has invested in (for example, having a percentage of shares with voting rights ranging from 20% but not more than 50%), the board should adopt the evaluation results of the internal control system and Risk management to be part of the consideration under guidance 6.1.1 - 6.1.7.</p>	<p>The Company has a policy to manage operations in subsidiaries, associates, and jointly controlled entities. The Company will closely monitor business performance and operations and presenting the results of the analysis as well as expressing opinions or suggestions to the Board of Directors of the subsidiaries, or associated companies, or jointly controlled entities for use in determining the policy or improving and promoting the business of the subsidiaries, associated companies, or jointly controlled entities to continually grow.</p>
<p>Principle 6.2</p> <p>The board shall establish an audit committee that can act effectively and independently.</p>	<p>The Board of Directors shall appoint 3 independent directors as members of the audit committee.</p>
<p>Guideline 6.2.1</p> <p>The Board of Directors should set up the audit committee consisting of 3 independent directors with qualifications and duties according to the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.</p>	<p>The Audit Committee shall consist of 3 independent directors with qualifications and duties according to the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.</p>

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<p><u>Guideline 6.2.2</u></p> <p>The Board of Directors should prescribe duties of the audit committee in written with at least duties as follows:</p> <ol style="list-style-type: none"> (1) Verify the accuracy and completeness of business financial report. (2) Verify the appropriate and efficient internal control system of the business. (3) Verify the compliance of laws and standard concerned of the business. (4) Consider the independency of the audit committee and approve of the appointment, transfer and termination of the head of audit committee or other working unit responsible for internal audit. (5) Consider and select independent person responsible as auditor and propose the remuneration of such person including attend a meeting with the auditor without management at least once per annum. (6) Consider the relevant or conflict of interest items to ensure its rational and optimum legal to the business. (7) Verify the accuracy of the reference document and self assessment according to standard of corporate corruption of Thai private sector collective action against corruption. 	<p>The Board of Directors has prescribed scope of duties and responsibilities of the audit committee as follows:</p> <ol style="list-style-type: none"> 1. Verify the accuracy and completeness of business financial report. 2. Verify the appropriate and efficient internal control and internal audit system. Consider the independency of the internal audit unit including approve of appointment, transfer or termination of the head of audit committee and/or hiring of internal audit company or other agencies responsible for internal audit. 3. Verify that the Company has complied to Securities and Stock Exchange of Thailand's law and regulation together with law concerning Company business. 4. Consider to select and appoint the independent person responsible for Company auditor and propose the remuneration of such person including attend a meeting with auditor without management at least once per annum. 5. Consider the relevant or conflict of interest items to ensure that they are rational and optimum legal to the business. 6. Prepare the audit committee disclosure report in Company annual report of which chairman of the audit committee signature is undersigned and detail shall be consisted of at least following detail: <ol style="list-style-type: none"> (1) Opinion of accuracy and completeness of Company financial report (2) Opinion of sufficiency of company internal audit control system (3) Opinion of compliance to law and regulations of Securities and Stock Exchange of Thailand or relevant laws concerning Company business (4) Opinion of the auditor's appropriateness (5) Opinion on items that might be conflict of interesting (6) Numbers of the audit committee's meeting and attendance of each member of the audit committee (7) Opinion or overall observation for the audit committee on Charter performance (8) Other items that shareholders and general investors should know under scopes and responsibilities authorized from the Board of Directors

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	<p>7. In performing the duties of the audit committee, if following transactions or actions have been found or suspected to have significant impact on the financial position and operating results of the Company, the audit committee shall report to the Board of Directors in order to make improvements within the time necessary that the audit committee deems to:</p> <ul style="list-style-type: none"> (1) List of conflicts of interest (2) Corruption or irregularities or significant defects in the internal control system (3) Violation of the Securities and Exchange Act and Stock Exchange of Thailand regulations or laws related to the business of the Company. In the event that the Board of Directors or the executives do not proceed with the amendment within the above time, member of the audit committee may report that there are transactions or such actions as mentioned above to the Securities and Exchange Commission or Stock Exchange of Thailand accordingly. <p>8. Consider the items that may be expected to cause conflicts of interest between the Company and any major shareholder. If the audit committee determines that the transaction is considered as such, the audit committee must inform the Board of the conflict of interest issues and the list of directors who have conflicts of interest, in order for that directors to comply with Section 80 of the Securities and Exchange Act to refrain to vote on such agenda.</p> <p>9. Perform any other tasks assigned by the Board of Directors with the approval of the audit committee.</p>
<p>Guideline 6.2.3</p> <p>The Board of Directors should ensure that the Company provides a mechanism or tool that will allow the audit committee to have access to the information necessary to perform the assigned duties. For example, allowing the audit committee to call relevant persons to provide information, discuss with the auditor or seek opinions that are independent from any other professional advisors in order to be composed for the consideration of the audit committee.</p>	<p>The audit committee is a part of the internal control system which will serve on capacity to support the Board of Directors in conducting duties in accordance to laws, rules and regulations related to business operations include providing independent suggestions of good corporate governance, risk management and internal control in order to ensure that the operation of the Company is adequate, effective and success in accordance with good corporate governance guidelines focusing on sustainable development. Scope of duties and responsibilities according to the Charter of the audit committee requiring that the audit committee is to consider, select and nominate an independent person to act as the Company's auditor and propose remuneration of such person who as well attend the meeting at least once per annum with the auditor without the attending of the management.</p>
<p>Guideline 6.2.4</p> <p>The Board of Directors should arrange for an independent person or internal audit unit responsible for developing and reviewing the effectiveness of the risk management and internal control system and report to the audit committee and disclose the verified report in the annual report.</p>	<p>The Company has appointed individuals and internal audit unit that are independent to perform duties responsible for the development and varification of the effectiveness of risk management and internal control system with report to the audit committee and disclosure of the verified report in the Company annual report.</p> <p>The Company has prescribed the management organization chart of the internal audit unit of which directly report to the audit committee.</p>

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<p><u>Guideline 6.2.5</u></p> <p>The Audit Committee must provide opinions on the adequacy of the risk management and the internal control system and disclose in the annual report.</p>	<p>The Audit Committee has provided opinions on the adequacy of the risk management and internal control system with a disclosure in the annual report.</p>
<p>Principle 6.3</p> <p>The board should manage and monitor conflicts of interest that might occur between the company, management, directors, and shareholders. The board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.</p>	<p>The Company has prescribed policies in relevant to connected transactions making, prevention of conflicts of interest, usage of internal data in order to be used as monitoring, follow up and preventive measures.</p>
<p><u>Guideline 6.3.1</u></p> <p>The Board of Directors should supervise to obtain a data security system which includes policies defining and procedures for confidentiality, integrity and availability of information including management of market sensitive information that may affect the price of the securities. In addition, the Board of Directors should supervise senior directors and employees as well as related third parties such as legal counsel, financial advisor to follow the information security system accordingly.</p>	<p>The Company has established a policy on the use of internal information of the Company and a policy of information security to supervise data confidentiality, integrity and availability of information with related persons, both executives and employees, contract and temporary employees, consultants, service providers and external persons who all must strictly comply with the policy.</p>
<p><u>Guideline 6.3.2</u></p> <p>The Board of Directors should supervise the management and monitor of transactions that may have conflicts of interest including supervise the guidelines and practices in order for such transactions to be complied with the procedures and information disclosure required by law and for the benefit of the Company and shareholders as a whole, where stakeholders related to the interest should not participate in decision making of that agenda.</p>	<p>The Board of Directors has prescribed a preventive policy on conflicts of interest with a principle that any decision making in business activities must be done for the best interest of the Company only and should avoid actions that cause conflicts of interest by requiring those who are involving or having interests with the considered items must inform the Company of their relationship or interest in such transactions and must not participate in the decision making process including no authorization to approve on that transaction.</p> <p>In addition, the Board of Directors has assigned the audit committee to consider items that may be expected to cause conflicts of interest between the Company and any major shareholders. If the audit committee considers that any transaction is considered as such, the audit committee must inform the Board of the conflict of interest issues and the list of directors who have conflicts of interest in order for that persons to comply to Section 80 of the Securities and Exchange Act for refraining from vote on such agenda.</p>

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<p>Guideline 6.3.3</p> <p>The Board of Directors should have a regulation for the directors to report their interests at least prior to considering the agenda of the Board meeting and record in the minutes of the Board meeting. The Board of Directors should ensure that the directors with significant interests in a manner that may cause the said directors not to be able to freely express their opinions, refrain from participating in the meeting for consideration on that agenda.</p>	<p>The Company has a preventive policy on conflicts of interest by requiring the directors and executives to present any item for a meeting agenda which is expected to may have caused conflicts of interest between the Company and any major shareholders for the audit committee to take prior consideration, if the audit committee considers that such transaction is of criterion as follows:</p> <ol style="list-style-type: none"> 1. Connected Transaction. The audit committee must propose the Board of Directors to execute according to the announcement of the Board of Governors of the Stock Exchange of Thailand regarding the disclosure of information and operations of listed companies on connected transaction 2003 or, 2. If the transaction is considered a conflict of interest, the audit committee shall inform the Board of Directors of potential conflicts of interest and inform the Board of Directors of the names of directors who may have conflicts of interest in order for the Board of Directors and such directors to strictly comply to Section 80 of the Public Limited Companies Act. <p>In addition, if the Board of Directors and executives consider that any of the items is a transaction related to the connected transaction or a transaction that has a conflict of interest clearly and intend to comply with the announcement of the Board of Governors of the Stock Exchange of Thailand regarding the disclosure of information and actions of listed companies concerning connected transactions, 2003 and/or Section 80 of the Public Limited Companies Act referring the abstention of directors who have direct or indirect interests, the directors or executives may propose such agenda directly to the Board of Directors meeting without having prior request to the opinion of the audit committee.</p>
<p>Principle 6.4</p> <p>The board should establish a clear anti - corruption policy and practices (including communication and staff training), and strive to extend its anti - corruption efforts to stakeholders.</p>	<p>The Company has prescribed a policy on anti -corruption by communicating to employees via internal email network (Nok Intranet) and publishing on the Company website (www.nokair.com).</p>
<p>Guideline 6.4.1</p> <p>The Board of Directors should provide projects or guidelines for misconduct and anti - corruption including support activities that encourage and instill all employees to comply with the law and related regulations.</p>	<p>The Company has prescribed a policy regarding anti - corruption as a guideline for proper conduct of the Board of Directors, management and employees at all levels. The policy on anti - corruption is disseminated through the Company communication, such as sending emails to all employees, publishing on the internal network (Nok Intranet) and the Company website www.nokair.com include trainings for new employees to acknowledge and follow the guidelines governed by the policy.</p>
<p>Principle 6.5</p> <p>The board should establish a mechanism for handling complaints and whistleblowing.</p>	<p>The Company has set up a mechanism to receive complaints and take actions in case there are indication of clues as stated in the Anti - corruption Policy.</p>

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<p><u>Guideline 6.5.1</u></p> <p>The Board of Directors should supervise to obtain a mechanism and process of managements (recording, monitoring progress, troubleshooting, reporting), complaints of stakeholders and supervise to provide channels for receiving complaints that are convenient with multi-channels include the disclosure of receiving channels for complaints on the website or in the annual report.</p>	<p>In accordance to the Anti - corruption Policy, the Company has set a scope of complaints and report of misconduct clues or corruption when in doubt or witness violating actions against the guidelines and the disclosure of complaint channels in the Company website (www.nokair.com).</p>
<p><u>Guideline 6.5.2</u></p> <p>The Board of Directors supervises to ensure that there are clear policies and guidelines for clues indication cases which reporting channels should be provided via the website of the Company or through independent directors/member of audit committee of the assigned business including the process of checking the information of the operation and reporting to the Board of Directors.</p>	<p>With the Anti - Corruption Policy, the establishment has been set for a channel to report clues indication or complaints of misconduct or corruptions through the audit committee including the process of the information investigation and reporting to the Board of Directors.</p>
<p><u>Guideline 6.5.3</u></p> <p>The Board of Directors should supervise to have appropriate protection measures for whistleblowers who report clues in good faith.</p>	<p>The Anti - Corruption Policy has stipulated measures to protect the complainant or those who report corruption clues.</p>
<p>PRINCIPLE 7</p> <p>Ensure Disclosure and Financial Integrity</p>	<p>The Company has a policy to disclose financial and other information related to the business and the performance of the Company that is true, complete, consistent, timely, which showing the true financial status and operations of the Company as well as the future of the business of the Company.</p>
<p>Principle 7.1</p> <p>The board must ensure the integrity of the company's financial reporting system and that timely and accurate disclosure of all material information regarding the company is made consistent with applicable requirements.</p>	<p>The Company has a policy to supervise strict compliance with laws, rules and regulations related to the disclosure and transparency of the financial report which will be based on accuracy, completeness and adequacy on accounting information according to accounting standards.</p>
<p><u>Guideline 7.1.1</u></p> <p>The Board of Directors should supervise that personnel involved in the preparation and disclosure of information are qualified with knowledge, skills and experience appropriately to their responsibilities and are sufficient in numbers of personnel, this including the top management of accounting and finance, accountant, internal auditor, company secretary and investor relations.</p>	<p>The Board of Directors is committed to ensure the strict compliance to laws, rules and related regulation in regard of information disclosure and transparency. The Company has provided information on its website, communication media of the Stock Exchange of Thailand for shareholders and other related parties to reach Company information thoroughly and amendments are made in accordance with the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission including the thereof mandatory declaration.</p> <p><u>Investor Relations Policy</u></p> <p>The Company provides staff to communicate with investors or shareholders including institutional investors and minority shareholders. The Company will arrange a meeting to analyze performance regularly include disseminating corporate information both financial and general information to shareholders, securities analysts, credit rating companies and related government agencies through various channels such as the Stock Exchange of Thailand's report, Securities and Exchange Commission and the Company website.</p>

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<p>Guideline 7.1.2</p> <p>In approving the disclosure of information, the Board of Directors should take into account the relevant factors in the case of financial reports the least of the following factors are to be considered as well:</p> <ol style="list-style-type: none"> (1) The assessment results of the adequacy of the internal control system. (2) Auditor's opinion on financial reports and the auditor's observations on the internal control system including the auditor's observations through other communication channels (if any). (3) Opinion of the audit committee (4) Consistency with the objectives, principle goals, strategies and policies of the Company. 	<p>The Company pays attention to financial reports in order to reflect the true financial status and operating results of the Company based on accuracy, completeness and adequacy of accounting information in accordance with acceptable accounting standards in general.</p>
<p>Guideline 7.1.3</p> <p>The Board of Directors should supervise the disclosure of information include financial statements, the annual report, Form 56 - 1, can reflect sufficient financial status and operating results and should encourage the Company to provide management discussion and analysis (MD & A) to compose the disclosure of financial statements every quarter in order for the investors to obtain information and understand better the changes that occur with the financial position and operating results of the Company in each quarter apart from the digit in the financial statements alone.</p>	<p>The Company has disclosed information which includes financial statements in annual report, Form 56 - 1 that reflects financial status and operating results include providing explanations and performance analyzing to support the disclosure of financial statements on every quarter basis.</p>
<p>Guideline 7.1.4</p> <p>In the event that any disclosure of information is related to a particular director, such director should ensure that the disclosure of his part is complete and correct, such as the information of the shareholders of his own group, the disclosure in relation to the shareholder' agreement in his own group.</p>	<p>The Company will disclose information of each director as well as the roles and duties of the Board of Directors and the sub-committees of the Company in the annual report of the Company (Form 56-2) and annual registration statement (Form 56-1) and will disclose the remuneration of directors and senior management in the annual report of the Company (Form 56-2) and in the annual registration statement (Form 56-1). Enforced by the Charter of the Board of Directors, the Board of Directors has a duty to report its responsibility in preparing financial report which is presented in conjunction with the auditor's report in the annual report and covers important matters in accordance with the policy on good practices for directors of listed companies of the Stock Exchange of Thailand.</p>
<p>Principle 7.2</p> <p>The board should monitor the company's financial liquidity and solvency.</p>	<p>The financial status of the Company is reported to the Board of Directors' meeting on a monthly basis.</p>
<p>Guideline 7.2.1</p> <p>The Board of Directors should ensure that the management has followed and evaluated the financial status of the business and regularly reports to the Board of Directors. The Board of Directors and the management should mutually find a solution as soon as there is a signal indicating the problem of financial liquidity and debt repayment ability.</p>	<p>The Company Board of Directors requires the management to monitor and evaluate the financial position of the Company and report to the Board of Directors on monthly basis in order to find solutions to solve potential problems.</p>

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<p><u>Guideline 7.2.2</u></p> <p>In approving any transactions or proposing comments to the shareholders' meeting for approval, the Board of Directors should ensure that such transactions will not affect the continuity of business operations, financial liquidity or ability to pay debts.</p>	<p>The Corporate Governance Policy of the Company Chapter 5 refers to responsibilities of the Board of Directors with a duty to comply with laws, objectives, regulations of the Company and resolutions of the shareholders' meeting with honesty and careful safeguard to the interests of shareholders and stakeholders both short and long term and to ensure that the operations of the Company are in the direction that create maximum benefit for the shareholders and the stakeholders. The Board of Directors will ensure that vision mission, goals, policies, operational direction, strategic plans, annual plans and budget of the Company are shared within the Board of Directors for opinions in order to understand the overview of the business together before approval and follow up with the administration to meet the implementation goals with the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission.</p>
<p>Principle 7.3</p> <p>The board should ensure that risks to the financial position of the company or financial difficulties are promptly identified, managed and mitigated, and that the company's governance framework provides for the consideration of stakeholder rights.</p>	<p>The Company recognizes and acknowledges the rights of all groups of stakeholders that should be treated in accordance with rights of relevant laws. The Company will take action to solve problems based on policies and practices that have been prescribed.</p>
<p><u>Guideline 7.3.1</u></p> <p>In the event that the business tends to be unable to pay debts or has financial problems, the Board of Directors should monitor closely and supervise the business to operate with prudence and comply with information disclosure requirements.</p>	<p>Insituations where the Company encounters financial liquidity problems, the Board of Directors has closely monitored, supervised and carefully considered various actions with prudence and comply with information disclosure requirements.</p>
<p><u>Guideline 7.3.2</u></p> <p>The Board of Directors should ensure that the business establishes a financial solution plan with regard to fairness to stakeholders including creditors as well as monitor the problem solving by having the management report of the status on regular basis.</p>	<p>The Company has policies and guidelines for partners and/or creditors by treating partners and/or creditors fairly, honestly and not taking advantage of partners by taking into account the interests of the Company, the basis of fair compensation for both parties and avoiding situations that cause conflicts of interest. A negotiation is based on business relationships, in case that any conditions or agreements may not be fulfilled, the creditors must be notified in advance in order to mutually find solutions to solve the problems.</p>
<p><u>Guideline 7.3.3</u></p> <p>The Board of Directors should ensure that any decision to resolve the financial problems of the Company, no matter which method, must be rational.</p>	<p>The Board of Directors has a duty to comply with laws, objectives and regulations of the Company as well as resolutions of the shareholders' meeting with honesty and prudence to protect the interests of the Company by fairly considering various matters in accountable of the interests of shareholders and all stakeholders of the Company.</p>
<p>Principle 7.4</p> <p>The board should ensure sustainability reporting, as appropriate.</p>	<p>The Company accords social responsibility reports by considering facts and suitability of the business.</p>

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<p><u>Guideline 7.4.1</u></p> <p>The Board of Directors should consider the appropriateness of disclosure of legal, ethics compliance, anti -corruption policy, treatment of employees and stakeholders which includes fair treatment and respect for human rights with social and environmental responsibility by considering the report framework that has been acceptable in the country or international level. Such information may be disclosed in the annual report or may be produced as a separate book as appropriate for the business.</p>	<p>The Company has disclosed legal compliance information with ethics, policy on anti -corruption, treatments to employees and stakeholders which includes fair practice and respect for human rights together with social and environmental responsibility in the annual report.</p>
<p><u>Guideline 7.4.2</u></p> <p>The Board of Directors should ensure that the information disclosed is important and reflects practices that will lead to sustainable value creation for the business.</p>	<p>In the good corporate governance policy Chapter 4 the disclosure and transparency of information. The Board of Directors is committed to ensure the compliance with laws, rules and related regulations regarding strict disclosure and transparency of the information by providing information on the Company's website, on communication media of the Stock Exchange of Thailand for shareholders and other related parties to obtain information about the Company thoroughly and will improve the information in accordance with the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission including the mandatory declaration.</p>
<p>Principle 7.5</p> <p>The board should ensure the establishment of a dedicated Investor Relations function responsible for regular, effective and fair communication with shareholders and other stakeholders (such as analysts and potential investors).</p>	<p>The Company has provided an Investor Relations unit that serves to communicate with shareholders and stakeholders.</p>
<p><u>Guideline 7.5.1</u></p> <p>The Board of Directors should provide communication policy and disclosure policy to ensure communication and disclosure of information to third parties is adequate, equal and in timely manner by using appropriate channels, protecting confidential information and information that affects the price of securities include a communication to the whole organization in identical compliance with the said policy.</p>	<p>The Company adheres to the guidelines for information disclosure in accordance with the good corporate governance policy Section 4 which refers to the information disclosure and transparency including the Company's internal data usage policy to be a measure to prevent the use of insider information for directors and executives in seeking benefits for themselves and others in a wrongful way.</p>
<p><u>Guideline 7.5.2</u></p> <p>The Board of Directors should arrange the designation of a person who is responsible for providing information to third parties. The person should be well qualified for the duties with understanding of the business of the Company include objectives, main goal, core values and ability to communicate with the capital market such as the President, Chief Financial Officer and the Investor Relations Manager etc.</p>	<p>The Company has provided staff who responsible to communicate with investors or shareholders including institutional investors and minor shareholders. The Company will arrange a meeting to analyze the performance result regularly including disseminating corporate information, both financial and general information to shareholders, securities analysts, credit rating companies and related government agencies through various channels such as reporting to the Stock Exchange of Thailand, Securities and Exchange Commission and the Company website.</p>
<p><u>Guideline 7.5.3</u></p> <p>The Board of Directors should supervise the management to determine directions and supports to investor relations activities, such as providing practice information, management policy information that affects securities prices include clearly defining the duties and responsibilities of the investor relations so that communication and information disclosure are well effective.</p>	<p>The Company has prescribed the establishment of an investor relations policy to support investor relations work including the assignment of investor relations responsibilities in the job description.</p>

Corporate Governance Code for Listed Companies 2017	Company Guidelines
<p>Principle 7.6</p> <p>The board should ensure the effective use by the company of information technology in disseminating information.</p>	<p>The Company has promoted the use of information technology in information dissemination.</p>
<p><u>Guideline 7.6.1</u></p> <p>In addition to information dissemination according to the stipulated criteria and through the channels of the Stock Exchange of Thailand, the Board of Directors should consider the disclosure of information in both Thai and English through other channels, such as the Company's website which should be done regularly with current updated.</p>	<p>The Company has published information in accordance with the stipulated criteria in both Thai and English through the Company's website (www.nokair.com) as well as always updating the information.</p>
<p>PRINCIPLE 8</p> <p>Ensure Engagement and Communication with Shareholders</p>	<p>The Company values and respects the rights of every shareholder and prescribes that all shareholders are treated equally and fairly.</p>
<p>Principle 8.1</p> <p>The board should ensure that shareholders have the opportunity to participate effectively in decision - making involving significant corporate matters.</p>	<p>The Company has prescribed as a policy in the good corporate governance policy of the Company Chapter 1: Rights of Shareholders and Chapter 2: Equitable Treatment of Shareholders.</p>
<p><u>Guideline 8.1.1</u></p> <p>The Board of Directors should take care of important matters with issues both specified by law and issues that may affect the direction of the business to have passed the consideration and/or approval of the shareholders, such important matters should be included in the agenda of the shareholders' general meeting.</p>	<p>The Company has taken care of important matters, both legal issues and issues that may affect the direction of the Company's operations are included in the agenda of the shareholders' meeting.</p>
<p><u>Guideline 8.1.2</u></p> <p>The Board of Directors should support the participation of shareholders such as;</p> <ol style="list-style-type: none"> (1) Prescribe the criteria for minority shareholders to propose additional meeting agenda in advance of the shareholders' meeting date which the Board of Directors should consider the matter proposed by the shareholders as an agenda. If the Board of Directors rejects the matter proposed by the shareholders in the agenda, the Board of Directors must inform the shareholders of the reasons accordingly. (2) Prescribe the criteria for minority shareholders to nominate persons to be appointed as directors which the Board of Directors should supervise the disclosure of such rules to shareholders in advance. 	<p>The Company supports shareholders' participation by prescribing in the good corporate governance policy Section 2: Equitable Treatment of Shareholders which allows minority shareholders to nominate directors or propose additional agenda items before the shareholders' meeting and discloses the criteria for shareholders' rights to propose agenda and name lists for selection as directors on the website.</p>
<p><u>Guideline 8.1.3</u></p> <p>The Board of Directors should ensure that the meeting invitation letter contains accurate, complete and sufficient information for the rights using of the shareholders.</p>	<p>According to the Company's regulations it requires that the shareholders' meeting be called and the Board of Directors shall prepare a notice of the meeting by specifying the venue, date, time, agenda of the meeting together with matters to be proposed to the meeting with appropriate details which clearly states that it is the matter to be proposed for acknowledgment, approval or consideration, as the case may be including the opinion of the Board of Directors on such matters.</p>
<p><u>Guideline 8.1.4</u></p> <p>The Board of Directors should supervise that the meeting invitation letter is sent with relevant documents and published on the Company's website at least 28 days before the meeting date.</p>	<p>Under the Company's rules and corporate governance policy the shareholders shall receive the invitation letter by at least 7 days prior to the meeting date as prescribed by the Public Company Limited Act, B.E. 2535 (1992), for the General Meeting Act B.E. 2561 (2018) the Company sent all documents to the shareholders 15 days earlier and 24 days by the Company website.</p>

Corporate Governance Code for Listed Companies 2017	Company Guidelines
<p>Guideline 8.1.5</p> <p>The Board of Directors should allow shareholders to submit questions in advance of the meeting date by setting criteria for sending questions in advance and publishing as well such criteria on the Company website.</p>	<p>The Company provides opportunities for shareholders to submit questions before the meeting date by setting the criteria for questions to be submitted in advance, with the dissemination of the proposal form to be included in the agenda of the general meeting of shareholders as mentioned on the website of the Company (www.nokair.com).</p>
<p>Guideline 8.1.6</p> <p>Invitation letter to the shareholders' meeting and related documents should be made in the entire English version and published along with the Thai version.</p>	<p>The Company has prepared the invitation letter for the shareholders' meeting and related documents in both English version and published on the Company's website along with Thai version.</p>
<p>Principle 8.2</p> <p>The board should ensure that the shareholders' meetings are held as scheduled, and conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights.</p>	<p>The Company has set a policy regarding the execution on the date of the shareholders' meeting in the good corporate governance policy of the Company Chapter 1: Rights of Shareholders, in order to ensure that the shareholders' meeting is orderly, transparent and efficient.</p>
<p>Guideline 8.2.1</p> <p>The Board of Directors should set the date, time and venue of the meeting in accountable of the convenience of attending shareholders' meetings, such as the appropriate and sufficient meeting time for discussion, convenient meeting place for traveling to etc.</p>	<p>The Company determines the date, time and venue of the meeting in accountable to the convenience of attending the shareholders' meetings, such as the appropriate and sufficient meeting time for discussion, convenient meeting place for traveling to according to the good corporate governance policy as follows:</p> <ul style="list-style-type: none"> Facilitate with equitable treatment to all shareholders who attend the meeting for example, sufficient parking space for shareholders who drive and convenient transportation for other shareholders by attaching a map of the meeting venue along with the invitation letter. Meeting schedule must not be on public holidays or continuous holidays and determine the right time for such meeting.
<p>Guideline 8.2.2</p> <p>The Board of Directors should supervise not to have any actions that limit the opportunity to attend the meeting or create undue burdens for shareholders, for example, should not require shareholders or proxies to bring documents or evidence of identification more than those specified in the guidelines of the relevant regulatory authorities.</p>	<p>The Company requires that in the event the shareholders are unable to attend the meeting by themselves, the Company extends the opportunity to appoint proxies to independent directors or any other persons to attend the meeting on their behalf by using the proxy form that the Company has sent with the invitation letter whereas all the 3 forms are required by law with instructions for proxy and prepared stamp duty for proxies without charge.</p>
<p>Guideline 8.2.3</p> <p>The Board of Directors should promote the use of technology for shareholders' meetings as in shareholder registration, ballots counting and results showing in order for the meeting to be done speedily, precisely and correctly.</p>	<p>The Company has prepared personnel to inspect documents for those attend the meeting adequately for convenience, speed and accuracy which can be rechecked and utilize technology in registration process, such as barcode system for convenience in shareholders registration, votes counting and results showing to facilitate the meeting with speed, precision and correctness.</p>
<p>Guideline 8.2.4</p> <p>Chairman of the Board is the Chairman in the shareholders' meeting who is responsible to ensure that the meeting is compiling with laws, relevant rules and company regulations adequately by allocating time for each agenda as specified in the meeting invitation letter and allowing shareholders to express their opinions and ask questions at the meeting in relation to the Company.</p>	<p>In accordance with the Company's good corporate governance policy, the Chairman of the meeting must allocate sufficient time in order to allow the shareholders to have equal rights in asking or proposing opinions on matters related to the Company include answering shareholders' questions completely on important issues by recording important questions, explanations and comments into the minutes of the meeting for the absent shareholders to acknowledge.</p>

Corporate Governance Code for Listed Companies 2017	Company Guidelines
<p><u>Guideline 8.2.5</u></p> <p>In order for shareholders to participate in important decision makings, directors as meeting attendees and shareholders should not support adding unnecessary agenda items that are not informed in advance, especially the important agenda that shareholders have to take time to study the information before making a decision.</p>	<p>In accordance to the good corporate governance policy of the Company during the shareholders' meeting, the Company will proceed to consider and vote according to the specified agenda without changing important information or adding abruptly any agenda's items in an unexpected manner include carryon voting each and every item in the event that there are many items in that agenda, such as the agenda for the appointment of directors.</p>
<p><u>Guideline 8.2.6</u></p> <p>All members of the Board of Directors and related executives should attend the meeting in order for shareholders to ask questions on related various issues.</p>	<p>In accordance to the good corporate governance policy of the Company which requires shareholders to have equal opportunities to inspect, inquire, express opinions and suggest to the operation of the Company and all directors include related executives attending shareholders' meeting are to answer questions from shareholders in unison include providing the right to ask questions to chairman of various sub - committees in related matters.</p>
<p><u>Guideline 8.2.7</u></p> <p>Prior to the meeting, the shareholders should be informed of the number and proportion of shareholders attending the meeting in person and by proxy. Meeting method is by voting and vote counting.</p>	<p>In accordance to the good corporate governance policy of the Company, prior to the commencement of the meeting, the Board of Directors, Chairman of various sub - committees, management team and auditor of the Company who attend the meeting will be introduced for acknowledgement in the meeting and the quorum consisting of number of shareholders attending the meeting in person, number of proxies attending the meeting on behalf of shareholders and the number of shareholders appointing independent directors of the Company as proxies will be informed covering an explanation of how to vote and count the votes for shareholders before the meeting commences.</p>
<p><u>Guideline 8.2.8</u></p> <p>In the event that there are many items in each agenda, the Chairman of the meeting should provide separate votes for each item, such as shareholders use the right to appoint directors on an individual basis in the appointment of directors agenda.</p>	<p>In accordance to the good corporate governance policy of the Company, a resolution for each item in the case that there are many items must be made such as the agenda for appointment of directors.</p>
<p><u>Guideline 8.2.9</u></p> <p>The Board of Directors should encourage the use of ballots upon important agenda and encourage independent individuals to act as counters or examiners in the meeting and disclose the voting results of agrees, disagrees and abstains in each agenda of the meeting which are to be informed and recorded in the minutes of the meeting.</p>	<p>In accordance to the good corporate governance policy of the Company, it is determined that independent persons are acting as vote counters or examiners in the shareholders' meeting where ballots are used to vote in every agenda for transparency and can be rechecked in the event of a later dispute include the recheck of the votes and disclosure of the voting results and record the resolutions of the meeting clearly in the minutes of the meeting.</p>

Corporate Governance Code for Listed Companies 2017	Company Guidelines
<p>Principle 8.3</p> <p>The board should ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.</p>	<p>The Company has prescribed a policy regarding the implementation of the post-meeting in the good corporate governance policy in order to ensure the accuracy and completeness of the meeting minutes.</p>
<p>Guideline 8.3.1</p> <p>The Board of Directors should ensure that the Company discloses the resolutions of the shareholders' meeting with voting results within the next business day through the news system of the Stock Exchange of Thailand and on the Company's website.</p>	<p>In accordance to the good corporate governance policy requiring for the Company's resolution of the shareholders' meeting through the news system of the Stock Exchange of Thailand within the next working day by specifying votes of agree, disagree and abstain in each agenda of the shareholders meeting include the preparation of meeting report both in Thai and English and sent to the Stock Exchange of Thailand and related agencies include disseminating the minutes of the meeting on the Company's website within the time required by law so that shareholders can check without waiting for the next meeting. There is also a good system for storing minutes of meetings that can be rechecked and referred to.</p>
<p>Guideline 8.3.2</p> <p>The Board of Directors should supervise the delivery of a copy of the minutes of the shareholders' meeting to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting.</p>	<p>The Company sends a copy of the minutes of the shareholders' meeting to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting.</p>
<p>Guideline 8.3.3</p> <p>The Board of Directors should ensure that the shareholders' meeting minutes are minimally recorded as follows:</p> <ol style="list-style-type: none"> (1) List of directors and executives attending the meeting and the proportion between directors who attend and not-attend the meeting. (2) Voting method and voting count, resolution of the meeting and voting results (agree, disagree, abstain) of each agenda. (3) Questions and answers in the meeting including the name -surname of the questioners and the respondents. 	<p>In accordance to the good corporate governance policy of the Company requires that the administration of the minutes and the resolution of the meeting must be made as a record of the meeting which must be complete, accurate, transparent and contained details of various matters of importance as follows:</p> <ul style="list-style-type: none"> - Names list and positions of directors, various sub - committees, senior executives and representatives of the auditors attending the meeting and the absents (if any). - A meeting quorum consisting of the number of shareholders attending the meeting in person, the number of proxies attending the meeting on behalf of the shareholders and the number of shareholders appointing independent directors of the Company as proxies. - Voting method in each agenda and vote counting for the resolutions of the shareholders' meeting prior to the commence of the meeting and guidelines for the ballots use. - Voting for resolutions of agree, disagree and abstain in every agenda requires voting and specify the name and number of shares of those who are not entitled to vote in each agenda (if any). - Recording of important questions, clarifications and comments in the meeting report.

2019 BUSINESS PLAN

The Company is committed to excel the development in good corporate governance and strengthen cooperation with all sectors to be a driving force for sustainable development with primary plans as follows:

- Produce a good corporate governance manual
- Organize revision of trainings to provide knowledge on good corporate governance to executives and employees in order to achieve mutual understanding in the best practices of business operations and be consistent with the good corporate governance policy of the Company
- Organize activities to promote and support the adoption of good corporate governance principles in the work process for maximum efficiency
- Participate in the Collective Action Coalition of the Thai private sector for the anti - corruption
- Increase channels for clue indications reporting or petitions of corruption
- Propose policies and produce a No Gift Policy manual regarding abstention from giving or accepting gifts and other benefits during various festivals in order to strengthen the culture of good faith, transparency in the operation.

INVESTMENT POLICY, INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES POLICY

INVESTMENT POLICY

To ensure sound and efficient investment, Nok Air has formulated the investment policy to be used as a guideline in its operations as follows:

1. Nok Air shall invest in business with potential to constantly generate revenue and profit after investment feasibility analysis has been made.
2. Nok Air shall invest in business with sufficient cash flow to pay debt obligation and interest payment.
3. Nok Air shall invest in business that generates attractive return on investment and has acceptable risk level.
4. Nok Air shall provide the experienced managements to look after the Company's Investment.
5. Nok Air shall assign its representatives to act as directors in the Company in which it invests.
6. Nok Air shall not invest in illegal and unethical business.
7. Investment projects shall be approved by the Board of Directors or the Shareholders' Meeting according to the Company's regulations or laws related to listed company or securities and exchange or regulations, announcement, order and notifications issued by the Capital Market Supervisory Board and the Stock Exchange of Thailand.

8. The Company shall report to the Board of Directors the operating performance of the Company in which it invests on quarterly basis.
9. The Board of Directors is responsible for considering and approving dividend payment of the Company in which Nok Air invests.
10. Nok Air does not have a policy to invest in equity instruments listed on the Stock Exchange of Thailand.

INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES

Nok Air focuses on investing in subsidiaries and joint ventures with high growth potential and good return on investment in order to ensure its leading market position as a budget airline that provides the most comprehensive services. Any investment permission shall be in response to the Capital Market Supervisory Board's announcement on significant transaction related to asset acquisition and distribution and the announcement of the Securities and Exchange of Thailand on disclosure of information and guideline for listed company in Acquisition or Distribution of Assets B.E. 2547 (2004).

Nok Air is interested particularly in long - term investment in the above mentioned businesses by considering the fundamental of the target business and trend in that business sector. In addition, the Company has a policy to make investment in a substantial ratio in order to obtain the right to participate in the management and formulation of business direction of the subsidiary and joint venture or jointly controlled entity. In addition, the Company is committed to supporting these subsidiaries, joint ventures and associated companies to achieve sustainable growth in the future.

The Company may consider investment in other related businesses. Investment made shall directly address the nature of business and the corporate strategy. Before making investment, Nok Air will conduct a feasibility study for the project, consider project potential and investment risks before submitting the investment plan for the Board of Directors' consideration and recommendation in order to mitigate such investment risks.

MANAGEMENT OF SUBSIDIARIES, JOINT VENTURES AND JOINTLY CONTROLLED ENTITY POLICY

The Company assigns its representative to serve as directors in its subsidiaries to oversee the operations of the subsidiaries. The representatives shall have the qualification and experience in such business and does not have conflict of interest. The representative shall manage the subsidiary in accordance with the policy approved by Nok Air and the Company's rules and regulations as well as laws related to the subsidiaries.

The Company also closely monitors the operations and performance of its subsidiaries, joint ventures and jointly controlled entities and presents the analysis, opinions and recommendation to the Board of Directors of such ventures and jointly controlled entities to promote continuous expansion and development.

CRITERIA FOR TRADE AGREEMENT WITH A BUSINESS CONDITION IN GENERAL FOR TRANSACTIONS BETWEEN THE COMPANY OR ITS SUBSIDIARIES AND DIRECTORS, EXECUTIVES OR RELATED PARTIES

Directors, executives or related persons can have a transaction with the Company or its subsidiaries only when approval from the General Shareholders' Meeting is granted, except when the transaction involves trade agreement in the same manner a person will do with other contractual parties under the same circumstance with a bargaining power that is influence-free from the fact that the status is the Company's director, executive or a person with relevance. The Company will report transactions exceeding Baht 15 million in value to the Audit Committee and the Board of Director on a quarterly basis.

CONNECTED TRANSACTION POLICY

Nok Air will comply with the laws on securities and exchange and regulations, announcements, orders or requirements of the Capital Market Supervisory Board and the SET relating to connected transactions. Executives or stakeholders may not be involved in approving connected transactions.

If the law requires an approval from the Board of Directors' meeting, the Company will have the Audit Committee attend the meeting to consider the matter and to provide an opinion as to the necessity and rationality of such transaction. When executing a transaction which is a trade agreement with or without a general trade condition, one needs to do it on the basis of the following principles:

TRANSACTION BEING A TRADE AGREEMENT WITH A BUSINESS CONDITION IN GENERAL

For a connected transaction which is a trade agreement that contains a general condition between the Company and its subsidiary vs. a director, an executive or a person with relevance already approved in principle by the Board, the management may approve such transaction if it contains an agreement in the same manner a person will do to contractual parties in general under the same circumstance with a bargaining power that is influence-free from the fact that its status is the Company's director, executive or a person with relevance.

The Company will report transactions exceeding Baht 15 million in value to the Audit Committee and the Board of Directors on a quarterly basis.

TRANSACTION BEING A TRADE AGREEMENT WITHOUT A BUSINESS CONDITION IN GENERAL

For any transaction that is a trade agreement but without a business condition in general, the transaction has to be reviewed first by the Audit Committee before it could be submitted to the Board of Directors and/or the Shareholders' Meeting for further approval. This however has to be in compliance with the laws on securities and exchange as well as regulations, notifications, orders or requirements of the Capital Market Supervisory Board and the SET and compliance with the requirements for disclosure of connected transactions. If the Audit Committee has no expertise to review the connected transaction that may take place, the Company may appoint an independent expert or its auditor to express an opinion regarding the connected transaction to support a decision of the Audit Committee and/or the Board and/or shareholders, as the case may be, to ensure that the transaction is necessary and reasonable by taking into consideration the Company's interest. Nok Air will disclose connected transactions in the Annual Report Form and notes to financial statements already audited by the Company's auditor.

FUTURE CONNECTED TRANSACTION POLICY

The Board of Directors has to ensure that future connected transaction must comply with the securities and exchange laws, regulations, notifications, orders or requirements of the Capital Market Supervisory Board and the SET as well as the regulation on disclosure of connected transaction of company and subsidiaries according to the accounting standard set by the Federation of Accounting Professions.

In case of a transaction being a normal business practice and continuing in the future, the Company has set criteria and framework to make it a trade agreement with business condition in general. The transaction shall be based on the price and conditions that are appropriate, fair, reasonable and transparent. The criteria have been presented to the Audit Committee for review and agreement. In case of a future connected transaction, the Company requires the Audit Committee to provide opinion on the appropriateness of the transaction. In case the Audit Committee does not have expertise in considering the connected transaction, the Company shall appoint a person with special expertise, such as the auditor or independent property appraiser to provide opinion on the connected transaction. The opinions provided by the Audit Committee or the specialists shall be used in the matter consideration by the Board of Directors or shareholders depending on the nature of the case to ensure that the transaction is not involved with transfer of the interest by the Company or shareholders. The transaction must bring the best benefits to the shareholders.

AUDITOR'S FEE

Audit fee for the Company and subsidiaries for 2018 were 2,550,000 Baht and 1,770,000 Baht, respectively. There is no other service.

PROVIDENT FUND

Nok Air set up the provident fund on July 31, 2011 with SCB Asset Management Co., Ltd. (SCBAM) with an objective to promote employee's savings in the long run and to provide security to employees and their families upon resignation, retirement or death. The provident fund is also an incentive for workers to stay with the Company which will result in a good labor relations between the employer and its employees that could enhance work efficiency. In 2018, Nok Air paid 45,422,926.94 Baht to the provident fund.

HUMAN RESOURCE DEVELOPMENT POLICY

Human resource is a critical factor that allows Nok Air to grow in a sustainable manner. Realizing the importance of continued development, maintenance and care of its human resources to enhance their potential and to promote the airline's corporate culture.

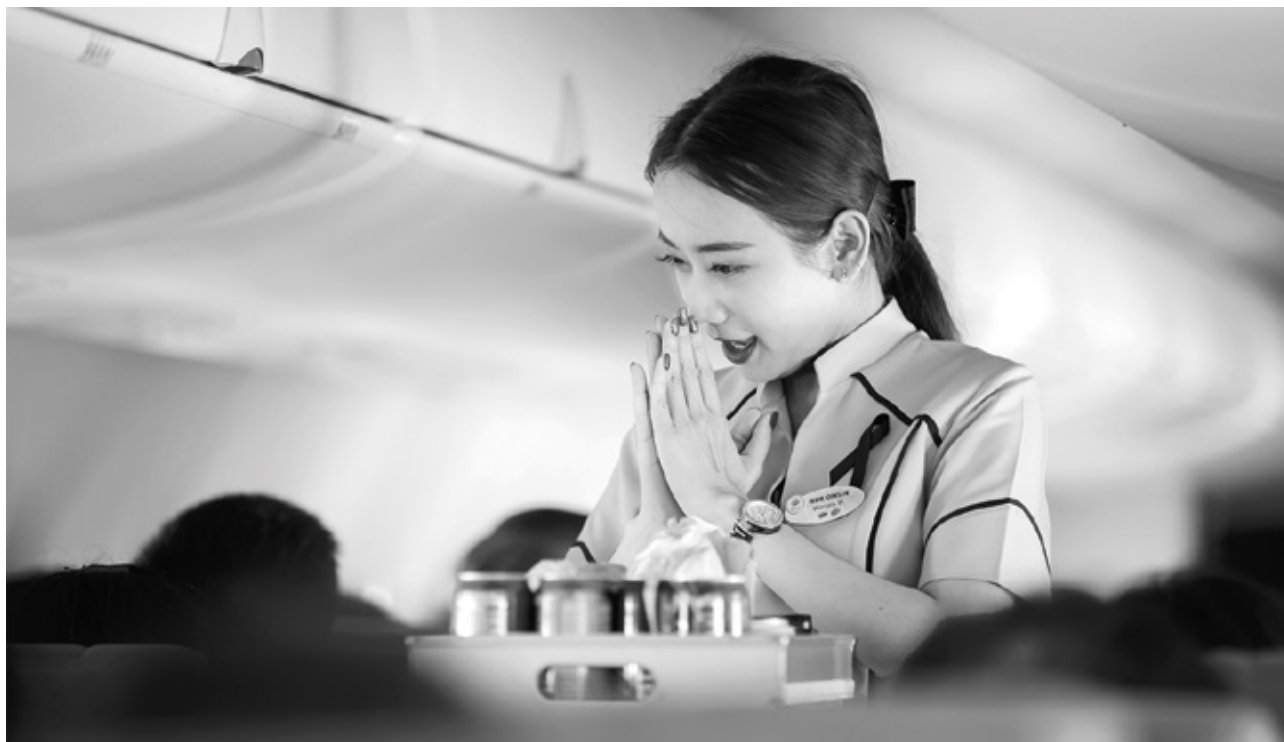
Nok Air organizes regular trainings have been offered. The Eagle Leadership Program (ELP) and Management Trainee Program (MT) were also initiated to recruit persons with high potential, capability and experience to be the successor of top management.

For specialized personnel such as pilot, ground staff and engineer, Nok Air has constantly organized training to sharpen their expertise and specialty according to the aviation industry's regulations and standard. Leadership and management courses as well as soft skills training are also offered to provide specialist with the opportunity to develop their knowledge, skills, attitudes and behavior in parallel with their specialty. These programs are customized to match corporate needs and enhance the airline's professionalism and long-term competitiveness.

PILOT

Nok Air's recruitment guideline for flight personnel who consists of certified flight instructor and pilot is as follows:

1. **Captain:** Nok Air has a policy to hire personnel with intensive flight experiences and possess all qualifications as required by the Civil Aviation Authority of Thailand. For co-pilot, the airline recruits those with high experience, possess all the qualifications required and pass international standard tests. The new recruits will be trained further to be promoted to captain in the future.
2. **Co-pilot:** Nok Air organizes a co-pilot examination based on demands for its flight personnel where the consideration is based on the increasing number of aircraft. Qualified persons who are entitled to sit in an examination to be Nok Air's pilot has to be an undergraduate in a field appropriate to become a pilot, complete a flight training from domestic and overseas flight institutes certified by the Civil Aviation Authority of Thailand and possess a commercial pilot license and a health certificate for airborne personnel.
3. **Selected pilots:** Will be required to attend the training required by the Civil Aviation Authority of Thailand as follows:
 - General training for commercial pilots
 - Specific training based on the aircraft model to pilot
 - Crew resource management (CRM) training



Once passing the ground training courses, these pilots will have to attend the airborne training which includes simulator training and training with actual aircraft, all of which is responsible by certified flight instructors and carried out in accordance with the rules and regulations of aircraft manufacturers subject to the examination of the Civil Aviation Authority of Thailand in every step.

Nok Air's pilot is to be ready for any auditing at all times whether from the Company's aviation standard department or from the Civil Aviation Authority of Thailand aside from the test of aviation capability held every six months. If failing to pass the test at any step, the pilot won't be allowed to fly and will have to return to a review training as required by the airline until he/she passes the test before being airborne again.

Aside from the flight training, pilot who is considered the Company's valuable resource, will also be trained in other fields such as leadership management and others which are the Company's own training courses as required by the Human Resources Department with a purpose to turn the Company's pilot into a real pro.

CREWS

All newly -recruited crews will be required to attend the customer service training, training about aircraft information and safety procedures during emergency training, all of which are held at Thai Airways' premise using Thai's facilities since Nok Air has no policy to invest in its own crew training center. In addition, Nok Air requires all crews to attend this training annually. The Company also has a policy to enhance other types of knowledge for its air hostesses by having them interned or working with other departments within the firm to nurture additional skills and to be able to work in other fields when the contract with the Company as cabin crews expires.

ENGINEER

Nok Air selects maintenance engineers with no fewer than five years of direct experiences in aircraft maintenance who also possesses the ground engineer license, Class 2, from The Civil Aviation Authority of Thailand. Nok Air's engineer is to complete two main training courses; namely, the Human Factor Training Course which is related to general safety management and accident risk from human factor; and the Type License Course which trains engineers to repair and maintain a particular type of aircraft for its airworthiness. Flight engineer possessing an aircraft maintenance license is to attend the brush - up course every two years. Engineer will not be able to sign Nok Air's airworthiness certificate unless otherwise approved in writing by the Aircraft Maintenance Standard Department.

BOARD OF DIRECTORS AND EXECUTIVE OFFICER PROFILES

01

Mr. Prasert Bunsumpun

Independent Director / Chairman of Executive / Chairman of the Board

Active Date 26 February 2018

Age 67 years

Educations / Trainings

- Honorary Doctoral Degree in Engineering, Chulalongkorn University
- Honorary Doctoral Degree in Business Administration, National Institute of Development Administration (NIDA)
- Honorary Doctoral Degree in Business Administration of General Management, Phetchaburi Rajabhat University
- Honorary Doctoral Degree in Business Administration of Business Administrative Program, Mahasarakham University
- Honorary Doctoral Degree of Arts, Social Innovation Management, Faculty of Humanities and Social Science, Suan Sunandha Rajabhat University
- Bachelor Degree in Engineering, Civil Engineer, Chulalongkorn University
- Master Degree of Business Administration (M.B.A.) Utah State University, USA
- Senior Executive Energy Literacy Program (TEA 3) Thailand Energy Academy
- Senior Management Program (CMA 3), Capital Market Academy
- Diploma Politics and Government in Democracy for Senior Management Program (Por Por Ror), Class 6 King Prajadhipok's Institute
- Certificate in Advance Management Program, Class 155 Harvard Business School, USA
- Certificate of National Defense Program for Government and Private, Class 10 Thailand National Defense College (TNDC 4010)
- Thai Institute of Directors (IOD)
 - Role of the Chairman Program (RCP), Class 28/2012
 - Director Accreditation Program (DAP), Class 26/2004

Training Records (in 2018)

- Business Revolution and Innovation Network, Class 1 The Federal of Thai Industries (BRAIN 1)
- Cryptoasset Revolution, Class 1 Thai Fintech Association and Icora Co. (CAR 1)

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

2003 - 2011	President / Chief Executive Officer PTT Public Company Limited
	Independent Director PTT Public Company Limited
2000 - 2011	Director / Chairman of the Board PTT Exploration and Production Public Company Limited
2011 - 2015	Independent Director Krung Thai Bank Public Company Limited
2006 - 2016	Chairman / Chairman of Executive Board of Director, IRPC Public Company Limited
2006 - 2008	Member of the National Legislative Assembly (NLA) National Legislative Assembly

Director / Executive Positions in Listed Companies (present)

2017 - Present	Independent Director / Chairman of the Board / Chairman of the Executive Committee Nok Airlines Public Company Limited
2017 - Present	Independent Director / Chairman of the Board / Chairman of the Nomination and Remuneration Committee, SVI Public Company Limited
2015 - Present	Independent Director / Chairman of the Board Thaicom Public Company Limited
2012 - Present	Chairman / Chairman of the Executive Board of Director Thoresen Thai Agencies Public Company Limited
2011 - Present	Independent Director / Chairman of the Risk Management Committee PTT Global Chemical Public Company Limited
2011 - Present	Independent Director Intouch Holdings Public Company Limited

Positions in Other Companies / Businesses (present)

2014 - Present	Member of National Legislative Assembly (NLA) National Legislative Assembly
2012 - Present	Chairman / Chairman of the Executive Board Mermaid Maritime Public Company Limited
2011 - Present	Chairman, Thailand Business Council for Sustainable Development (TBCSD)
Present	Distinguished Member, Chulalongkorn Council
Present	Distinguished Member Suranaree University of Technology Council

02

Mr. Pravej Ongartsittigul

Director / Member of the Executive Committee / Acting Chief Executive Officer

Active Date 11 September 2017**Age** 63 years**Educations / Trainings**

- Bachelor of Accountancy, Chulalongkorn University
- MBA in Decision Support Systems, New Hampshire College, USA
- MBA in Finance, New Hampshire College, USA
- Thai Institute of Directors (IOD)
 1. Ethical Leadership Program (ELP), Class 8/2017
 2. Corporate Governance for Capital Market Intermediaries (CGI), Class 17/2016
 3. Director Certification Program (DCP), Class 86/2007
- Advanced Senior Executive Program, Class 2009 Northwestern University (Kellogg)
- Capital Market Academy (CMA), Class 1/2007 Stock Exchange of Thailand
- Royal Thai Police, Class 1/2007
- Professional Certification, Chartered Bank Auditor, Class 3167/1987, Bank Administration Institute, Chicaco, Illinois, USA
- Professional Certification, Chartered Bank EDP Auditor, Class 898/1990, Bank Administration Institute, Chicago, Illinois, USA

Training Records (in 2018)

- Board that Make a Difference (BMD), Class 6/2018 Thai Institute of Directors (IOD)

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

2011 - 2015	Secretary General Thailand Office of Insurance Commission
2011 - 2015	Director, The Credit Information and Protection Board, Bank of Thailand
2011 - 2015	Director, Financial Institutions Policy Board Bank of Thailand
2011 - 2015	Director, Anti - Money Laundering Board Prime Minister's Office
2005 - 2011	Senior Assistant to the Secretary General Securities and Exchange Commission of Thailand
2002 - 2005	President Bank of America (Thailand Branch)

Director / Executive Positions in Listed Companies (present)

2018 - Present	Independent Director Muang Thai Insurance Public Company Limited
2018 - Present	Acting Chief Executive Officer Nok Airlines Public Company Limited
2017 - Present	Director (Authorized Director) / Member of the Executive Committee Nok Airlines Public Company Limited

Positions in Other Companies / Businesses (present)

2018 - Present	Independent Director / Member of the Audit Committee / Member of the Nomination and Numeration Committee Standard Chartered Bank (Thailand) Public Company Limited
2016 - Present	Independent Director Advance Medical Center Company Limited
2016 - Present	Independent Director / Chairman of the Board AIRA Securities Public Company Limited
2006 - Present	Investment Advisory Board Thai Red Cross Society

03

Mrs. Nalinee Ngamsettam

Director / Member of the Executive Committee

Active Date 28 February 2017**Age** 59 years**Educations / Trainings**

- Ph.D. (Honorary Degree) in Finance, Sripatum University
- Certificate Master of Marketing Management, Thammasart University & University of Gothenberg
- Master of Business Administration (Financial Management), National Institute of Development Administration (NIDA)
- Bachelor of Science, Srinakharinwirot University
- Advanced Master of Management Program (AMM1)
- Thailand Advanced Insurance Leadership Program (AIL7)
- Thammasat World Leadership Program (TWLP Batch#1), Thammasat University Alumni Association
- Leadership Succession Program (LSP Batch#4), Institute of Research and Development for Public Enterprises (IRDP)
- Thammasat Leadership Program (TLP Batch#3), Thammasat University Alumni Association
- Advance Security Management Program (ASMP Batch#3), Thailand National Defense College
- Capital Market Academy Leadership Program (CMA), Class 8 The Capital Market Academy
- Thai Institute of Directors (IOD)
 1. Director Forum 2017: The Board's role in CEO Succession Planning
 2. CAC Conference 2017 "Bright Spots: Lighting the way to a corruption free society"
 3. Corporate Governance for Capital Market Intermediaries (CGI), Class 15/2016
 4. Exclusive Event (M-IEE), Class 1/2015
 5. Role of Chairman Program (RCP), Class 31/2013
 6. Director Accreditation Program (DAP), Class 61/2007

Training Records (in 2018)

None

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

2004 - 2012	Director Dharmniti Public Company Limited
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Director / Executive Positions in Listed Companies (present)

2017 - Present	Authorized Director / Member of the Executive Committee Nok Airlines Public Company Limited
2011 - Present	Authorized Director / Member of the Nomination and Remuneration Committee / Member of the Executive Committee AIRA Factoring Public Company Limited
2010 - Present	Authorized Director / Chairman of Investment Committee / Chief Executive Officer AIRA Capital Public Company Limited

Positions in Other Companies / Businesses (present)

2018 - Present	Authorized Director AIRA Venture Capital Company Limited
2017 - Present	Authorized Director / Chairman of the Board of Directors NokScoot Airlines Company Limited
Nov 2017 - Aug 2018	Director Nok Mangkang Company Limited
2017 - Present	Authorized Director AIRA Asset Management Limited
2016 - Present	Authorized Director Travelex (Thailand) Limited
2016 - Present	Authorized Director / Chairman of the Board of Directors / Chairman of the Executive Committee AIRA Leasing Public Company Limited
2015 - Present	Authorized Director / Chairman of the Executive Committee / Chief Executive Officer AIRA Property Public Company Limited
2015 - Present	Authorized Director / Chairman of the Board of Directors Aspiration One Company Limited
2014 - Present	Authorized Director / Chairman of Nomination and Remuneration Committee / Chairman of the Executive Committee AIRA & AIFUL Public Company Limited
2013 - Present	Authorized Director / Chairman of the Board of Directors AIRA International Advisory (Singapore) Pte., Ltd.
2007 - Present	Authorized Director AIRA Securities Public Company Limited

04

Mr. Sumeth Damrongchaitham

Director

Active Date 21 December 2018**Age** 55 years**Educations / Trainings**

- Bachelor of Science
Management and Construction Technology Program
King Mongkut's Institute of Technology Ladkrabang
- Bachelor of Economics, Financial Theory and Public Finance
Chulalongkorn University
- Bachelor of Business Administration (General Administration)
Ramkamheang University
- Master of Business Administration (Finance)
Thammasat University
- Senior Justice Administration Program (Bor Yor Sor), Class 17
Justice College, Institute of Judicial Training
- Thai and Asean Economic Community Program (AEC1)
King Prajadhipok's Institute
- Politics and Government In Democracy for Senior Management
(Por Por Ror14), King Prajadhipok's Institute
- Senior Executive Program, Class 8/2009
Capital Market Academy (CMA)
- Thai Institute of Directors (IOD)
 1. Director Accreditation Program (DAP), Class 21/2004
 2. Role of the Compensation Committee (RCC), Class 3/2007
 3. Company Secretary Program (CSP), Class 28/2008

Training Records (in 2018)

None

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

**Working Experience in past 5 - year
and / or Prominent Positions**

2013 - 2018	Managing Director / Director and Secretary of the Board of Directors Thanarak Asset Development Company Limited
2016 - 2017	Employer Director in State Enterprise Labor Committee Minister of Labor
2013 - 2014	Member of the Audit Committee Government Saving Bank
2010 - 2013	Advisory Committee on Finance, Banking and Financial Institutions House of Representatives

**Director / Executive Positions in
Listed Companies (present)**

2018 - Present	Director (Authorized Director) Nok Airlines Public Company Limited
2018 - Present	President Thai Airways International Public Company Limited

Positions in Other Companies / Businesses (present)

None	
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05

Mr. Wiwat Piyawiroj

Director

Active Date 13 September 2018**Age** 53 years**Educations / Trainings**

- Master of Science Management
Southern Nazarene University, USA
- Bachelor of Laws, Thammasat University

Training Records (in 2018)

None

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

**Working Experience in past 5 - year
and / or Prominent Positions**

Oct 2017 - May 2018	Acting Executive Vice President of Commercial Thai Airways International Public Company Limited
May 2017 - Oct 2017	Acting Chief Executive Officer Thai Smile Airways Company Limited
Jan 2016 - May 2018	Assistant to Vice President of Commercial Thai Airways International Public Company Limited
May 2017 - Oct 2017	Acting Chief Executive Officer Thai Smile Airways Company Limited
Oct 2015 - Apr 2016	Acting President of Sales (SS) Thai Airways International Public Company Limited
Oct 2013 - Sep. 2015	Vice President of Sales Thailand and Indochina Thai Airways International Public Company Limited
Oct 2012 - Sep 2013	Director of East Asia, the America and the Philippines Thai Airways International Public Company Limited

**Director / Executive Positions in
Listed Companies (present)**

Sep 2018 - Present	Director (Authorized Director) Nok Airlines Public Company Limited
Jun 2018 - Present	Executive Vice President of Commercial Thai Airways International Public Company Limited

Positions in Other Companies / Businesses (present)

Present	Director (Authorized Director) Tour Eueng Luang Company Limited
Present	Director Thai Smiles Airways Company Limited
Present	Director Don Mueang International Airport Hotel Company Limited

06

Mr. Rathapol Bhakdibhumi

Director / Member of the Nomination and Remuneration Committee

Active Date 19 April 2017**Age** 52 years**Educations / Trainings**

- Executive Master's in International Logistics and Supply Chain Strategy, Georgia Institute of Technology, Atlanta, USA
- Master of Business Administration (Marketing and International Business) Sasin Graduate Institute of Business Administration
- Bachelor of Sciences (Mechanical Engineering) University of Colorado, Boulder, USA
- Thai Institute of Directors (IOD)
 1. Director Accreditation Program (DAP), Class 23/2004
 2. Director Certification Program (DCP), Class 52/2004
 3. Charter Director Class (CDC), Class 9/2015
- Tourism Management Program for Executives (TME), TAT Academy
- Thailand National Defence College (NDC58)
- Top Executive Program in Commerce and Trade (TEPCoT8) Commerce Academy, University of Thai Chamber of Commerce
- Executive Program "Bhumipalung Phandin", Class 3 Chulalongkorn University
- Executive Program in General Management, Strategies for Sustainable Business, MIT Sloan School of Management, USA
- Southeast Asia Regional Program Fellows, Eisenhower Fellowships
- Administrative Law for Executives Class 5 (ALE 5) National Intelligence Agency, Thailand
- National Security Management for Senior Executives, Class 1 Thailand Administration Court, Thailand
- Thailand Energy Academy Executive Program, Class 1 (TEA 1) Thailand Energy Academy, Thailand
- Government Civil Aviation Training Royal Thai Air Force, Class 65
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives King Prajadhipok's Institute, Thailand
- 2009 Directors' Consortium, Stanford Graduate School of Business, USA
- Electronic Business and Commerce Executive Program Graduate School of Business Stanford University, USA
- Electronic - Business and Supply Chain Management Program Graduate School of Business Stanford University, USA
- Enrolled as a special student at the Sloan School of Management for two academic term.
Course work includes Operation and Financial Management. Massachusetts Institute of Technology Cambridge, MA, USA

Training Records (in 2018)

None

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

2005	Director Datamate Company Limited
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Director / Executive Positions in Listed Companies (present)

2017 - Present	Director (Authorized Director) / Member of the Nomination and Remuneration Committee Nok Airlines Public Company Limited
2014 - 15 Jul 2018	Director / Member of the Audit Committee / Member of the Corporate Governance Committee / Member of the Nomination Committee / Member of the Ad hoc for Annual Budget Committee / Member of the Concession Negotiation Committee CAT Telecom Public Company Limited
2014 - Present	Director / Independent Director / Member of the Nomination and Remuneration Committee / Member of Strategy and Transformation Committee / Member of the Human Resource Development Committee / Member of the Procurement Improvement Committee / Member of the Audit Committee / Member of the Recruitment of THAI's President Thai Airways International Public Company Limited

Positions in Other Companies / Businesses (present)

2004 - Present	President and CEO General Electronic Commerce Services Co., Ltd.
2014 - Present	Director / Chairman of the Service System Development working Group with Alibaba / Sub - Committee of the Investment / Sub - Committee the of the Risk Management Thailand Post Company Limited
Present	Director Sahachart Sethakit Company Limited
2010 - Present	Executive Committee SK Mineral Company Limited

07

Mrs. Chiraporn Chemnasiri

Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee

Active Date 11 September 2017**Age** 70 years**Educations / Trainings**

- Bachelor Degree in Accounting, Chulalongkorn University
- Thai Institute of Directors (IOD)
 1. Corporate Governance for Capital Market Intermediaries (CGI), Class 0/2014
 2. Advanced Audit Committee Program (AACP), Class 14/2014
 3. Director Certification Program (DCP), Class 172/2013
 4. Audit Committee Program (ACP), Class 25/2009
 5. Director Accreditation Program (DAP), Class 71/2008

Training Records (in 2018)

- Role of the Chairman (RCP), Class 43/2018
Thai Institute of Directors (IOD)

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

1986 - 2009	Executive Vice President (Planning and Finance) Airports of Thailand Public Company Limited
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Director / Executive Positions in Listed Companies (present)

2017 - Present	Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee Nok Airlines Public Company Limited
2010 - Present	Independent Director / Member of the Audit Committee / Member of the Corporate Governance Committee AIRA Capital Public Company Limited

Positions in Other Companies / Businesses (present)

1988 - Present	Director Taraporn Company Limited
1989 - Present	Director Managerial Excellent Limited
1994 - Present	Director Grid Business Solutions Limited
2005 - Present	Director SRI Consultant Limited
2008 - Present	Independent Director and Member of the Audit Committee AIRA Securities Public Company Limited

08

Mr. Apichart Chirabandhu

Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Member of the Sub-committee Concerning with Lufthansa Technik AG

Active Date 7 January 2013

Age 61 years

Educations / Trainings

- Bachelor's degree, Law, Ramkhamhaeng University
- Director Accreditation Program (DAP), Class 103/2013 Thai Institute of Directors (IOD)
- Diploma, The Joint State-Private Sector Course (Class 24), The National Defence College of Thailand (NDC) 2011-2012
- Politics and Governance in Democratic Systems for Executives, Class 18/2014 King Prajadhipok's Institute

Training Records (in 2018)

- Advanced Audit Committee Program (AACP) Class 31/2018, Thai Institute of Directors (IOD)

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

2012 - 2014	Consultant of the Labour Exploitation Committee Labour and Welfare Committee Senate
2011 - 2014	Honorary Advisory Committee Standing Committee on Corruption Investigation and Good Governance Promotion Senate
2008 - Aug 2013	Chairman of the Board Wattana Capital Public Company Limited
2006 - 2008	Member of the National Assembly The National Assembly
2002 - Jan 2018	Director Siam Premier Service Company Limited
1991 - Jan 2018	Director Siam Premier International Law Office Limited

Director / Executive Positions in Listed Companies (present)

2013 - Present	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Member of Sub-Committee for the Lufthansa Technik AG Nok Airlines Public Company Limited
2018 - Present	Independent Director / Chairman of the Audit Committee / Member of the Good Governance Nomination and Remuneration Committee Thai Vegetable Oil Public Company Limited
2014 - Present	Director / Independent Director / Member of Audit Committee / Chairman of Nomination and Remuneration Committee / Member of Corporate Governance Millcon Steel Public Company Limited
2016 - Present	Director / Member of Audit Committee / Member of Corporate Governance / Member of Nomination and Remuneration Committee Triple I Logistics Public Company Limited

Positions in Other Companies / Businesses (present)

2009 - Present	Director AC Worldwide Company Limited
2009 - Present	Director and Treasurer Business Lawyer Foundation
2018 - Present	Consultant of the Minister Ministry of Tourism and Sport

09

Mr Visit Tantisunthorn

Independent Director / Member of the Audit Committee / Member of the Risk Management Committee

Active Date 9 April 2015**Age** 59 years**Educations / Trainings**

- Bachelor of Science in Statistics, Chulalongkorn University
- Master of Business Administration, University of Wisconsin - Madison
- Advanced Management Program, Harvard Business School
- Thai Institute of Directors (IOD)
 1. The Role of Chairman Program (RCP), Class 2/2001
 2. Directors Certification Program (DCP), Class 8/2002
 3. Directors Certification Program (DCP), Class 131/2010
 4. Financial Institutions Governance Program (FGP), Class 3/2011
- National Defence College, Class 2/2004
- Executive Program, Capital Market Academy, Class 3/2006
- King Prajadhipok's Institute, Class 5
- Politics and Governance in Democratic System for Executive, Class 5/2003

Training Records (in 2018)

None

Ratio of Company Shareholder in (%)

Self: Warrant NOK - W1 3,000,000 shares

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

2000 - 2014	Director True Vision Group Company Limited
2001 - 2009	Chairman Fitch Rating (Thailand) Company Limited
2001 - 2009	Secretary General General Government Pension Fund of Thailand
2000 - 2001	President Lanna Resources Public Company Limited
1998 - 2000	President and Chief Executive Office Grammy Entertainment Public Company Limited
1992 - 1998	Senior Vice President and Regional Director American International Assurance Company Limited

Director / Executive Positions in Listed Companies (present)

2015 - Present	Independent Director / Member of the Audit Committee / Member of the Risk Management Committee Nok Airlines Public Company Limited
2000 - Present	Executive Director Lanna Resources Public Company Limited

Positions in Other Companies / Businesses (present)

2007 - Present	Committee Property Management Thai Red Cross Society
2014 - Present	Director True Vision Group Company Limited

10

Mr. Chavalit Uttasart

Director

Active Date 15 February 2018**Age** 71 years**Educations / Trainings**

- LL.B. (Second Class Honours), Chulalongkorn University
- Barrister - At-Law, The Institute of Legal Education Thai Bar Association
- Barrister - At-Law, The Honorable Society of Gray's Inn, London, England
- Thai Institute of Directors (IOD)
 1. Director Certification Program (DCP), Class 125/2009
 2. Director Accreditation Program (DAP), Class 43/2005
 3. Advanced Audit Committee Program (AACP), Class 19/2015

Training Records (in 2018)

- Role of the Chairman Program (RCP), Class 43/2018 Thai Institute of Directors (IOD)

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

2018 - Present	Director Siam City Law Offices GP Limited
2018 - Present	Director Siam City Law Offices DR Limited
2015 - Present	Member of the Nomination and Remuneration Committee Siam Makro Public Company Limited
2013 - Present	Director SCL Tax Consultants Company Limited
2011 - Present	Member of the Board of Director / Audit Committee, Electronic Transactions Development Agency (ETDA)
1999 - Present	Member of the Audit Committee / Independent Director Siam Makro Public Company Limited
2005 - Present	Managing Director Siam City Law Offices Company Limited
2005 - Present	Managing Director Chavalit and Associates Company Limited

Director / Executive Positions in Listed Companies (present)

15 Feb 2018 - Present	Director (Authorized Director) Nok Airlines Public Company Limited
2015 - Present	Member of the Nomination and Remuneration Committee Siam Makro Public Company Limited
1999 - Present	Independent Director / Member of the Audit Committee Siam Makro Public Company Limited

Positions in Other Companies / Businesses (present)

2018 - Present	Director Siam City Law Offices GP Limited
2018 - Present	Director Siam City Law Offices DR Limited
2013 - Present	Director SCL Tax Consultants Company Limited
2011 - Present	Member of the Board of Director / Audit Committee, Electronic Transactions Development Agency (ETDA)
2005 - Present	Managing Director Siam City Law Offices Company Limited
2005 - Present	Managing Director Chavalit and Associates Company Limited

11

Mrs. Heather Mary Suksem (OBE)

Independent Director / Member of the Corporate Governance Committee

Active Date 10 May 2018**Age** 62 years**Educations / Trainings**

- HDN Hotel, Catering & Institutional Management, Leeds Polytechnic, United Kingdom
- Harrogate Grammar School, United Kingdom
- Thai Institute of Directors (IOD)
 1. Director Certification Program (DCP), Class 83/2007
 2. Strategic Board Master Class (SBM), Class 2/2017

Training Records (in 2018)

- Boards that Make a Difference (BMD), Class 7/2018
- Thai Institute of Directors (IOD)

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

2018 - Present	Deputy Chairman OCS ROH Company Limited
2013 - 2017	Chairman OCS ROH Company Limited
2007 - 2013	Regional Managing Director OCS ROH Co., Ltd. Asia Regional Office
1996 - 2007	Managing Director Property Care Service (Thailand) Company Limited
1993 - 1996	General Manager and Director Property Care Service (Thailand) Company Limited
1987 - 1993	Operation Manager and General Manager Property Care Service (Thailand) Company Limited
1986 - 1987	Domestic Service Manager (Project) Harrogate General Hospital Group
1980 - 1987	Domestic Service Assistant Manager Riyadh Saudi Arabian Military Hospital

Director / Executive Positions in Listed Companies (present)

May 2018 - Present	Independant Director / Member of the Corporate Governance Committee Nok Airlines Public Company Limited
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Positions in Other Companies / Businesses (present)

2018 - Present	Deputy Chairman OCS ROH Company Limited
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12

Gen. Pornchai Kranlert

Advisor / Chairman of the Corporate Governance Committee

Active Date 13 September 2018**Age** 67 years**Educations / Trainings**

- Master of Public Administration Program, National Institute of Development Administration
- Nation Defense College Program (NDC), Class 44 Thailand National Defense College
- Senior Management Program (CMA), Class 8 Capital Market Academy
- Thai Intelligent Investors Program Class 1, Thai Investors Association
- Thai Institute of Directors (IOD)
 1. Directors Accreditation Program (DAP) Class 61 / 2007
 2. Role of the Nomination and Governance Committee Program (RNG), Class 3 / 2012
 3. Directors Certification Program (DCP), Class 161 / 2012
 4. Role of the Compensation Committee Program (RCC), Class 17 / 2013

Training Records (in 2018)

None

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

2015 - 2016	Chairman of the Board / Independent Director Triton Holding Public Company Limited
2012 - 2014	Independent Director PTT Exploration and Production Public Company Limited
2012 - 2014	Chairman of the Corporate Governance Committee / Chairman of the Nomination and Numenaration Committee PTT Exploration and Production Public Company Limited
2005 - 2006	Director IRPC Public Company Limited
2007 - 2011	Special Advisor Office of the Permanent Secretary for Defense Ministry of Defense
2006 - 2007	Deputy Chief of Staff Royal Thai Armed Forces Headquarters
2005 - 2006	Assistant Commander in Chief Royal Thai Army Royal Thai Army

Director / Executive Positions in Listed Companies (present)

2017 - Present	Consultant / Chairman of the Corporate Governance Committee Nok Airlines Public Company Limited
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Positions in Other Companies / Businesses (present)

2012 - Present	Director Ma Boon Khong Company Limited
2011 - Present	Director APT Bearing Mall Company Limited
2007 - Present	Consultant Thai - German Specialty Glass Company Limited

13

Mr. Sorasit Soontornkes

Advisor / Chairman of the Risk Management Committee

Active Date 27 September 2017**Age** 66 years**Educations / Trainings**

- Master of Business Economics, Thammasat University
- Master of Accounting, Chulalongkorn University
- Bachelor of Accounting, Chulalongkorn University
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Executive Development Program (Wharton School), University of Pennsylvania, USA
- Advanced Army Academic Program, Regular Basis set 46, Royal Thai Army College B.E. 2554 (2001)
- Senior Management Program, Capital Market Academy (CMA 8)
- Directors Certification Program (DCP), Class 91 / 2007 Thai Institute of Directors (IOD)

Training Records (in 2018)

None

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

2007 - 2011	Assistant Governor, Supervision Group Bank of Thailand
2011 - 2012	Deputy Governor Bank of Thailand
2011 - 2012	Director and Member of Monetary Policy Committee Bank of Thailand
2012 - 2016	President and Director Deposit Protection Agency

Director / Executive Positions in Listed Companies (present)

Sep 2017 - Present	Company Consultant / Chairman of the Risk Management Committee Nok Airlines Public Company Limited
2018 - Present	Independent Director / Chairman of the Audit Committee Sri Ayudhya Capital Public Company Limited
2018 - Present	Chairman of the Board of Director / Independent Director AIRA Factoring Public Company Limited

Positions in Other Companies / Businesses (present)

2018 - Present	Independent Director / Chairman of the Audit Committee Sri Ayudhya General Insurance Public Company Limited
2018 - Present	Independent Director / Chairman of the Audit Committee J.D. Food Products Company Limited
2018 - Present	Audit Committee Eastern Economic Corridor Office of Thailand
2017 - Present	Audit Committee Bank of Thailand
2017 - Present	Director, Internal Audit Office Chulalongkorn University

14

Mr. Teerapol Chotichanapibal

Advisor / Member of the Executive Committee / Chairman of the Sub - Committee on Lufthansa Technik AG

Active Date 7 April 2016**Age** 61 years**Educations / Trainings**

- Master of Science, Operations Research, University of Southampton, Great Britain
- Bachelor of Arts, Mathematics / Economics (Joint Honor), University College of Wales, Great Britain
- CMO Academy, INSEAD, Singapore
- Corporate Governance Program for Directors and Senior Executives of State Enterprises and Public Organizations, Class 10
- King Prajadhipok's Institute
- Director Certification Program (DCP), Class 111 / 2008 Thai Institute of Directors (IOD)

Training Records (in 2018)

None

Ratio of Company Shareholder in (%)

Self: None

Spouse and Minor Children: None

Family Relation with Directors and Executives

None

Working Experience in past 5 - year and / or Prominent Positions

2015 - 2017	Executive Vice President, Commercial Thai Airways International Public Company Limited
2014 - 2015	Executive Vice President / Consultant to President Thai Airways International Public Company Limited
2014	Executive Vice President, Commercial Thai Airways International Public Company Limited
2013	Executive Vice President, Strategy and Business Development Thai Airways International Public Company Limited
2011	Executive Vice President, Customers Services Thai Airways International Public Company Limited

Director / Executive Positions in Listed Companies (present)

2016 - 13 Sep 2018	Director (Authorized Director) Nok Airlines Public Company Limited
Oct 2018 - Present	Consultant / Member of the Executive Committee Nok Airlines Public Company Limited
Nov 2018 - Present	Chairman of Sub - Committee for the Lufthansa Technik AG Nok Airlines Public Company Limited
Apr 2018 - Present	Independent Director Dusit Thani Public Company Limited
Oct 2018 - Present	Member of the Audit Committee Dusit Thani Public Company Limited

Positions in Other Companies / Businesses (present)

None	
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RELATED PARTY TRANSACTIONS

The Audit Committee No. 1/2019 dated February 20, 2019 reviewed related transaction information of the Company in 2018 as well as inquired the information of related transactions between the Company and individuals/juristic persons with a potential conflict of interest from the Company's management before reviewing the information as stated in the auditor's notes to the financial statements. With this, the Committee is of the view that related transactions between Nok Air and individuals/juristic persons with a possible conflict of interest taking place during 2018 were executed for ordinary course of business and in

accordance with general business conditions. The transactions were having the same nature as normal people would do with contractual parties under the same circumstance and at an arm's length basis in case the other party could pose a potential conflict of interest. In addition, no profit has been transferred between the Company and individuals/juristic persons with a potential conflict of interest. Details of Nok Air's related transactions in 2018 are as follows:

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2017	2018	
Thai Airways International PCL (“THAI”)				
<u>Nature of business</u> THAI is a full service airline operator	1. Expenditures <u>1.1 Maintenance</u> The Company hired THAI to maintain both aircraft leased from THAI and from an overseas lessor. - Aircraft maintenance expenses	93.7	156.6	THAI is among a few operators in Thailand who possesses the aircraft maintenance permit and that's why the Company and its subsidiaries have to rely upon THAI's service. Besides, the maintenance charge is in accordance with market prices. At present, the Company and its subsidiaries continue to use the spare part maintenance service as well as lease maintenance equipment from THAI for use with its aircrafts leased from the overseas lessor.
<u>Relationship</u> <ul style="list-style-type: none">A shareholder who holds the Company with total of 21.8% of the Company's shares as of December 31, 2018.As of December 31, 2018, THAI's representatives in the Board of Director are: Mr. Rathapol Bhakdibhumi Mr. Wiwat Piyawiroj Mr. Sumeth Damrongchaitham	1.2 Ground handling fee and food expenses for passengers, pilots and crews Expenses on Ground handling services in the station, which the service provider agreed with the Company's on normal ground handling services does not have enough equipment. <ul style="list-style-type: none">Ground handling expenseCatering expensesPassenger shuttle bus expense	3.9 35.6 0.6	4.9 18.0 0.5	Such transactions are necessary for the Company and its subsidiaries business. The service fees are in accordance with the market prices.

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2017	2018	
	1.3 Other expenses Other services are provided by THAI i.e. training, insurance premium. - Other expenses 2. Incomes 2.1 Passenger revenues Revenue from tickets sold through THAI under Code Share Agreement and the Passenger Transfer Agreement. - Passenger revenues	9.3	0.4	Such transactions are necessary for the Company and its subsidiaries business. The service fees are in accordance with the market prices. The Company has entered into code share agreement with THAI in order to expand its distribution channel. In addition, the ticket price is not lower than the rate of other passengers. The Passenger Transfer Agreement is executed to transfer passengers between airlines in case of flight cancellation or delay.
	2.2 Other incomes The Company provides ground aircraft handling service and license engineer service to THAI. - Service revenue	0.002	None	THAI pays a fee for a ground handling and license engineer service at airports that THAI has no its own staffs. And, the rates are based on market prices.
	3. Account payable	51.2	57.6	
	4. Other creditors	None	14.9	
	5. Account Receivables	1.2	0.9	

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2017	2018	
Donmueang International Airport Hotel Co., Ltd. ("Airport Hotel")				
<u>Nature of business</u> Airport Hotel operates hotel under Amari Brand which located nearby Donmueang International Airport.	1. Expenditures <u>1.1 Accommodation</u> The Company uses the services of Airport Hotel for the provincial employees who travel to Bangkok for company's training. - Accommodation expense - Payable on accomodation	5.4 0.2	1.8 0.1	The Company uses the services of Airport Hotel for the provincial employees who travel to Bangkok for company's training. Airport Hotel is the hotel that is located near Don Mueng and has a walkaway that leads directly to the terminals and company's office, which is convenient for its employee and cost saving. Moreover, the rates are based on market prices.
<u>Relationship</u> THAI is a major shareholder of the Company and has the authority to control Airport Hotel by holding 40.0% shares.				
THAI Flight Training Co., Ltd. ("THAI Flight Training")				
<u>Nature of business</u> THAI Flight Training provides aviation training services.	1. Service fee - Training fee	3.8	3.1	Such transaction is necessary for the Company's business. If the Company operates at its own expense, such expenses would be higher.
<u>Relationship</u> THAI is a major shareholder of the Company and has the authority to control in Thai Flight Training by holding 49.0% shares.	2. Account payable	0.4	None	

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2017	2018	
Thai Smile Airways Co., Ltd. (“Thai Smile”)				
<u>Nature of business</u> Thai Smile is a low-cost airline which is affiliate of THAI. Thai Smile offers a new alternative for customer who is looking for a short-haul low cost flight.	1. Expenditures <u>1.1 Air fare</u> The Company used its services under the Passenger Transfer Agreement. - Air fare	0.1	0.4	The Company has entered into Passenger Transfer Agreement with Thai Smile Airways in case of flight cancellation or delay at the price agreed in advance.
<u>Relationship</u> THAI is a major shareholder of the Company and has the authority to control Thai Smile by holding all shares.	2. Incomes <u>2.1 Passenger revenues</u> The Company provides an air transport service to Thai Smile’s passengers under the Passenger Transfer Agreement. - Passenger revenue	0.3	5.0	The Company has entered into Passenger Transfer Agreement with Thai Smile to transfer passengers in case of flight cancellation or delay at a price agreed in advance.
	<u>2.2 Other revenues</u> The Company provides ground aircraft handling service and license engineer service to Thai Smile. - Service revenue	0.7	None	Thai Smile has hired the Company to provide the ground aircraft handling service at airports to which Thai Smile flies but has no staff of its own there. The service fee is in accordance with the market prices.
	3. Account receivable	0.3	1.0	
	4. Account payable	0.09	0.2	

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2017	2018	
Dhipaya Insurance Public Company Limited (“Dhipaya Insurance”)				
<u>Nature of business</u> Dhipaya Insurance operates as an insurance company covering non - life service, including fire, maritime, motor, aviation and miscellaneous.	1. Expenditures			The Company provides insurance for all of its crews with Dhipaya Insurance which is a leading aviation insurance company in Thailand. Also, Dhipaya Insurance offered the lowest premium relative to other insurance companies according to the bidding process.
	1.1 Insurance premium The Company pays insurance premium for its crews to Dhipaya Insurance - Insurance premium expense	53.6	None	
	2. Incomes			
<u>Relationship</u> Mr. Somchainuk Engtrakul, the Company’s Director, is a director at Dhipaya Insurance until August 11, 2017, which was the date when there was no more common director.	2.1 Other fee income The Company received insurance fee from other transportations fee awaiting delivery. - Other transportation fee income	199.1	None	The Company has entered into an agreement with Dhipaya Insurance, making it one of the insurance companies covering the Company’s passengers. The Company received insurance premium from passengers on behalf of Dhipaya Insurance. In return, the Company receives insurance premium fee at the rate stated in the agreement, which is in accordance with the market rate.
	2.2 Other income The Company provides information service on website. - Service revenue	5.8	None	
Pan Am International Flight Training Center (Thailand) Co., Ltd. (“Pan Am International Flight Training Center”)				
<u>Nature of business</u> Pan Am International Flight Training Center is the international flight training institute comprehensive flight and aviation training centre in Thailand.	1. Expenditures			The Company has entered into an agreement with Pan Am International Flight Training Center for its pilot and co - pilot training, which saved the expenses on overseas training.
	1.1 Training fee The Company sent its pilots and co -pilots to be trained at Pan Am International Flight Training Center. - Training fee	19.63	18.47	
	2. Incomes The Company sent its pilots and co -pilots to participate in flight simulator training at Pan Am Training Center. - Service revenue	0.04	None	
<u>Relationship</u> 15% of share held by the Company.	3. Account payable	2.1	1.4	The Company provides pilots and co - pilot to support flight simulator training for Pan Am training license, which the service revenue is the agree rate and in accordance with the market rate.

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2017	2018	
Siam Premier International Law Office Limited (“Siam Premier”)				
<u>Nature of business</u> Siam Premier is a legal advisor company.	1. Legal consultation fee	21.4	None	The Company has entered into an agreement with Siam Premier for consulting. Such transactions are necessary for the Company’s business. The service fee is charged in accordance with the market prices.
<u>Relationship</u> Nok Air’s director, Mr. Apichart Chirabandhu, is a director of Siam Premier.	2. Other payable	2.7	None	
Haad Thip Public Company Limited (“Haad Thip”)				
<u>Nature of business</u> Manufacturing and distribution of soft drinks.	1. Expenditures - Food & Drinks for passenger	0.01	0.02	The Company offers passengers limited coupons for food and beverage manufactured and distributed by Haad Thip in case the flights delay. Food and beverage is priced on par with the market rate.
<u>Relationship</u> Spouse of Nok Air’s director, Mr. Apichart Chirabandhu, is a director of Haad Thip.	2. Incomes - Passenger revenue	0.2	0.6	The Company sells tickets to Haad Thip according to the market prices.
	3. Account receivable	0.05	0.17	
Thailand Post Co., Ltd. (“Thailand Post”)				
<u>Nature of business</u> Thailand Post operates postal service.	1. Expenditures - Postal service fee	0.6	0.6	The Company used the domestic postal service between its customers and the Company for its business operations. The service fee is charged in accordance with the market prices.
<u>Relationship</u> Nok Air’s director, Mr. Rathapol Bhakdlbhum, is a director of Thailand Post.				

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2017	2018	
CAT Telecom Public Co., Ltd. ("CAT")				
<p>Nature of business CAT operates telecommunications business.</p> <p>Relationship Nok Air's director, Mr. Rathapol Bhakdibhum, is a director of CAT.</p>	1. Expenditures - International call service	0.01	0.006	The Company used the international call service by CAT. The service fee is charged in accordance with the market prices.
Advanced Medical Center Co., Ltd. ("Advanced Medical")				
<p>Nature of business Advanced Medical is a hospital.</p> <p>Relationship Mr. Pravej Ongartsittigul was a director of Advanced Medical.</p>	1. Expenditures - Fee for annual health checkups for the Company's employees.	None	0.02	The Company had the policy to provide its employees with a welfare benefit scheme which included annual health checkup service. Some employees received this service from Advanced Medical, the service rate of which was in line with market prices.
Siam Makro Public Company Limited ("Makro")				
<p>Nature of business Consumer goods wholesale center</p> <p>Relationship Mr. Chavalit Utthasart was a director of Makro.</p>	1. Incomes - Passenger revenues 2. Account receivable	None None	0.96 0.18	The Company sold its air tickets to Makro at market prices.

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2017	2018	
AIRA Securities Public Company Limited ("AIRA Securities")				
Nature of business AIRA Securities' services include trading stocks and opening accounts for stock trading, domestically and internationally.	1. Expenditures - Service fee related to exercising the right to purchase capital increase ordinary shares (NOK-W1)	None	0.5	The Company offered to sell the first batch of warrants (NOK - W1), which were allocated to existing shareholders who exercised the right to subscribe for capital increase ordinary shares within the specified cycle. Thus, the Company engaged AIRA as its representative to handle the subscription for capital increase ordinary shares. Its service fee was in line with market prices.
	2. Other payable	None	0.1	
Relationship <ul style="list-style-type: none">A shareholder in AIRA Securities was a shareholder in the Company. As of December 31st, 2018, this shareholder acquired a 55.12% shareholding in the Company.As of December 31st, 2018, the Company and AIRA Securities shared some directors, as follows: Mr. Pravej Ongansittigul, Mrs. Naline Ngamsettamas, Mrs. Chiraporn Chemnasiri.				
AIRA Advisory Company Limited ("AIRA Advisory")				
Nature of business AIRA Advisory provides financial management advice.	1. Expenditures - Financial advisory fee	None	1.5	The Company engaged AIRA Advisory as its financial advisor and financial system developer to ensure more efficiency. Its service rate was in line with market prices.
	Relationship Some Company's shareholders were shareholders in the AIRA Group.			

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2017	2018	
Siam City Law Offices DR Limited ("Siam City DR")				
<u>Nature of business</u> Siam City DR offers legal, accounting, and tax services.	1. Expenditures - Legal advisory fee	None	0.6	The Company entered into an agreement with Siam City DR for legal advice. This was a necessary transaction for the Company's business operations. The service rate was in line with market prices.
<u>Relationship</u> Mr. Chavalit Uttasart, the Company's shareholder, was a director of Siam City DR.				
Muang Thai Insurance Public Company Limited ("Muang Thai Insurance")				
<u>Nature of business</u> Muang Thai Insurance provides non-life insurance products, including fire, marine and transport, motor, aviation, and miscellaneous insurance products.	1. Other fee incomes The Company was provided with fees from collecting insurance premiums via: - Other transportation fee incomes	None	45.9	The Company entered into an agreement with Muang Thai Insurance to allow it to provide protection for passengers on the Company's aircrafts. The Company collected insurance premiums from passengers on behalf of Muang Thai Insurance. The Company was provided with fees from collecting the insurance premiums based on the rate agreed upon in the agreement. The fee rate was in line with market prices.
<u>Relationship</u> Mr. Pravej Ongartsittigul, the Company's shareholder, was a director of Muang Thai Assurance.	2. Account receivable	None	16.1	
	3. Accrued incomes	None	8.7	
	4. Other payable	None	4.8	

Individual / Juristic Person with a Potential Conflict of Interest / Relationship	Transaction	Transaction Value (Million Baht)		Necessity / Rationality of the Transaction Opinion of the Audit Committee
		2017	2018	
Millcon Steel Public Company Limited ("Millcon Steel")				
<u>Nature of business</u> Millcon Steel produces and sells steel products.	1. Incomes - Passenger revenues	None	0.3	The Company sold its air tickets to Makro at market prices.
<u>Relationship</u> Mr. Apichart Chirabandhu, the Company's shareholder, was a director of Millcon Steel.				
Major Shareholder - Mrs. Hatairatn Jurangkool ("Mrs. Hatairatn Jurangkool")				
<u>Nature of business</u> Mrs. Hatairatn Jurangkool was a major shareholder of the Company.	1. Expenditures - Legal advisory fee 2. Short-term borrowings from a shareholder	None	10.2 800	The Company borrowed money from Mrs. Hatairatn Jurangkool to use in operations with interest based on market rates.
<u>Relationship</u> Mrs. Hatairatn Jurangkool was a major shareholder of 12.49% as of December 31 st , 2018.				

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTS

The Board of Directors is responsible for separate financial statements and consolidated financial statements of the Company and its subsidiaries including financial information that appear in the annual report of which the financial statements for the year ended December 31st, 2018 are prepared in accordance with Thai Financial Reporting Standards by choosing to use the appropriate accounting policy and consistently adhering to use careful discretion and the best estimate of preparation including sufficient disclosure of important information in the notes to the financial statements to be able to reflect the financial status, operation results and cash flow accurately, transparently, beneficially to shareholders and general investors and has been audited by an auditor licensed by Deloitte Touche Tohmatsu Chaiyos Audit Co., Ltd., which provides unconditional comments in the audit, the Company provided support for information and documents in order for the auditor to be able to review and express opinions in accordance with the audit standards.

The Board of Directors has provided and maintained a risk management system, internal control system, internal audit with proper supervision and effectiveness to ensure that the accounting information is accurate and complete to the sufficiency of maintaining the Company's assets and preventing risks as well as fraud or abnormal operations significantly.

For this purpose, the Board of Directors has appointed the Audit Committee comprising of all independent directors who are responsible for reviewing accounting policies and responsible for the quality of financial reports, the verification of internal control systems, internal audit and risk management system. This including to consider the disclosure of complete and appropriate inter-related transactions with the opinion of the Audit Committee appears in the report of the Audit Committee which has been appeared already in the annual report.

The Board of Directors is of the opinion that the overall internal control system of the Company is sufficient and appropriate, be able to be checked including reasonable assurance that the separate financial statements and consolidated financial statements of the Company and its subsidiaries for the year ended December 31st, 2018, are reliable by carrying out financial reporting standards and practice legally including relevant regulations.

Mr. Chavalit Uttasart
Director

Mr. Pravej Ongartsitthikul
Director /
Acting Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR 2018

According to the financial reports of Nok Airlines Public Company Limited (the Company) for the year ended on 31 December 2018, the Company and its subsidiaries reported that a net loss was 3,975.45 million Baht, compared to 1,899.67 million Baht last year. The net loss was consisted of the losses from the owners of the parent company in the amount of 2,786.76 million Baht and the net loss of non - controlling interests in the amount of 1,188.69 million Baht. The Company therefore would like to clarify the key factors and events affecting the Company's performance as follow:

An average Jet fuel price in 2018 was 85.77 USD per barrel which increased from 65.52 USD per barrel from last year. It was an impact on company's fuel cost to 4,884.33 million Baht, or increased 19.96 percent from last year. However, the Company enter into fuel hedging contracts partially as per the Company policy to reduce the exposure of fuel price volatility. Moreover, Revenue per Available Seat-Kilometer (RASK) decreased mainly from the Number of Chinese tourists decrease as a result of the boat accident in Phuket. As well, the Company phased out 5 operating aircrafts out of fleet, therefore the total number of operating aircraft decreased from 30 Aircrafts in 2017 to 25 aircrafts at the end of 2018.

KEY STATISTICS AND BUSINESS RATIO (EXCLUDING SUBSIDIARIES)

	Unit	2017	2018	Change	
				Amount	Percent
Number of Aircrafts (at the end of period)					
- (Jet) Boeing 737-800 New Generation	Aircraft	20	15	(5)	(25.00)
- (Turboprop) ATR 72-500	Aircraft	2	2	0	0.00
- (Turboprop) Q400 NextGen	Aircraft	8	8	0	0.00
- Average Number of Aircraft	Aircraft	29.95	26.41	(3.54)	(11.82)
Available Seat Kilometers: ASK	Mil. Seat - Km.	6,822	6,912	90	1.32
Revenue Passenger Kilometers: RPK	Mil. Seat - Km.	5,840	6,127	287	4.91
No. of Sectors	Flights	67,811	67,228	(583)	(0.86)
Cabin Factor	%	85.61	88.65	3.04 PPT	
Passenger Carried	Million	8.78	8.86	0.08	0.91
Passenger Yield	Baht/Seat - Km.	2.20	1.91	(0.29)	(13.18)
Revenue per Available Seat Kilometers: RASK	Baht/Seat - Km.	2.06	1.93	(0.13)	(6.31)
Cost per Available Seat Kilometers: CASK	Baht/Seat - Km.	2.40	2.32	(0.08)	(3.33)
Cost per Available Seat Kilometers exclude Fuel: CASK ex-fuel	Baht/Seat - Km.	1.80	1.61	(0.19)	(10.56)
Average Aircraft Utilization Hours	Operating Hours/Day	8.01	9.36	1.35	16.85

THE COMPANY'S PERFORMANCE

REVENUE FOR THE PERIOD (EXCLUDING SUBSIDIARIES)

Unit: Million Baht	2017		2018		Change	
	Amount	Percent to Total Revenue	Amount	Percent to Total Revenue	Amount	Percent
Passenger Revenue	12,868.38	87.03	12,014.19	86.53	(854.19)	(6.64)
Service Revenue	1,257.96	8.51	1,476.95	10.64	218.99	17.41
Other Income	660.33	4.46	393.02	2.83	(267.31)	(40.48)
Total Revenue	14,786.67	100.00	13,884.16	100.00	(902.51)	(6.10)

DATA: REVENUE

The Company's revenue was 13,884.16 million Baht, or decreased 6.10 percent from last year. It consists of 12,014.19 million Baht to passenger revenue which was 86.53 percent of total revenue, 1,476.95 million Baht to service revenue which was 10.64 percent of total revenue and 393.02 million Baht to other income which was 2.83 percent of total revenue. Therefore, revenue per available seat - kilometer (RASK) decreased from 2.06 to 1.93 Baht/passenger - kilometers, decreased by 6.31 percent from last year.

Passenger Revenue: In 2018, passenger revenue decreased 854.19 million Baht, or 6.64 percent from last year which resulting from decreased 0.86 percent in the total number of flight due to declining number of charter flights to China, also an average air fares decreased 9.85 percent from last year due to market price competition. Therefore, passenger yield decreased from 2.20 to 1.91 Baht/passenger - kilometers, decreased by 13.19 percent from last year.

Service Revenue: In 2018, service revenue increased 218.99 million Baht, or 17.41 percent from last year. The main causes of incremental baggage load revenue and service revenue because the Company had launched the new concept for booking ticket "Choose Your NOK" on 9 November 2017 to provide add-on products and services to serve all passenger needs which also received positive feedback from the customer continually.

Other Income: In 2018, other income decreased 267.31 million Baht, or 40.48 percent from the last year. It resulted mainly from decrease in revenue from Insurance claim and Gain from Sale and Leaseback of Aircraft in amount of 113.29 million Baht and 243.40 million Baht respectively from the last year.

EXPENSES FOR THE PERIOD (EXCLUDING SUBSIDIARIES)

Unit: Million Baht	2017		2018		Change	
	Amount	Percent to Total Expense	Amount	Percent to Total Expense	Amount	Percent to Total Expense
Cost of Passenger and Services	15,645.04	94.18	15,482.81	95.05	(162.23)	(1.04)
Selling Expenses	111.94	0.67	111.78	0.69	(0.16)	(0.14)
Administrative Expenses	821.09	4.94	680.04	4.17	(141.04)	(17.18)
Financial Costs	34.27	0.21	14.37	0.09	(19.90)	(58.07)
Total Expenses	16,612.34	100.00	16,289.00	100.00	(323.34)	(1.95)

DATA: COST & EXPENSES

The Company's operating expense in total was 16,289.00 million Baht decreased from 16,612.34 million Baht, or 1.95 percent from last year. It was caused by increased from Jet fuel price increased by 19.96 percent whereas aircraft maintenance expenses and aircraft operating lease reduced 12.08 percent and 13.23 percent respectively by cost saving according to the Company's turnaround plan. Consequently, Cost per Available Seat-Kilometers (CASK) decreased from 2.40 to 2.32 Baht/seat-kilometers, or decreased by 3.34 percent. Similarly, Cost per Available Seat-Kilometers exclude Fuel (CASK ex-fuel) decreased from 1.80 to 1.61 Baht/seat-kilometers, or 10.37 percent from last year.

Variable Cost: In 2018, variable costs were at 11,623.51 million Baht. The Company has changed the estimation of aircraft maintenance as plan in the amount of Baht 91.18 million based on the estimates of efficiency of maintenance plan,

thus costs of aircraft maintenance decreased from last year. However, jet fuel cost continually increased. Fuel cost per ASK (Fuel/ASK) rose from 0.60 to 0.71 Baht/Seat-Kilometers or 17.72 percent from last year. Moreover, aircraft maintenance per ASK diminished 13.04 percent or decreased from 0.46 to 0.40 Baht/Seat-Kilometers.

Fixed Costs: In 2018, fixed cost was 4,656.49 million Baht. It was caused by reduction in aircraft operating lease by cost saving of the Company's turnaround plan. Fixed cost per Available Seat-Kilometers (FC/ASK) was at 0.67 Baht/Seat-Kilometers.

Finance Cost: Company's finance cost reduced 58.07 percent from last year to be 14.37 million Baht. It was caused by a reduction of company's finance cost from the commitment fees for aircraft deposit from last year.

PROFIT (LOSS) (EXCLUDING SUBSIDIARIES)

Unit: Million Baht	2017		2018		Change	
	Amount	Percent to Total Revenue	Amount	Percent to Total Revenue	Amount	Percent to Total Revenue
Profit (loss) before income tax	(1,825.68)	(12.35)	(2,404.84)	(17.32)	(579.16)	31.72
Income tax expense (income)	0.00	0.00	0.00	0.00	0.00	0.00
Profit (loss) for the period	(1,825.68)	(12.35)	(2,404.84)	(17.32)	(579.16)	31.72
Total comprehensive income (loss) for the period	(1,825.68)	(12.35)	(2,404.84)	(17.32)	(579.16)	31.72
Basic Earnings Per Share (Baht)	(1.60)		(1.06)		0.54	

From the above mentioned, the total cost of company increased owing to Jet fuel price still increase significantly. Moreover, total revenue decreased mainly from market price competition including Number of Chinese tourists decrease as a result of the boat accident in Phuket. However, the Company also can reduce aircraft maintenance expenses and aircraft operating lease by cost saving according to the Company's turnaround plan. As a result, the net loss in year 2018 equal to 2,404.84 million Baht, or increased by 31.72 percent from last year.

OPERATING PERFORMANCE FOR NOKSCOOT AIRLINES CO., LTD.

For 2018 performance of NokScoot Airlines Co., Ltd., total revenue was 5,828.52 million Baht, increasing from 5,580.41 million Baht last year, or increased by 4.45 percent, mainly from the total number of passenger which increased at 7.67 percent from last year, or increased by 1.07 million to 1.16 million passengers because of the total number of flights which increased at 19.81 percent whereas the percent of Cabin factor decreased at 14.90 percent. In this year, NokScoot Airlines Co., Ltd. has one more operating aircrafts in fleet compared

with the last year, as a result the Company can continually launched new route in Japan and India as well as increased flight frequency in the existing routes, and thus resulting in higher aircraft utilization. Company's operating expenses was in total 7,388.22 million Baht increased from 5,656.82 million Baht, or increased by 30.61 percent from last year. As well, the main increased in operating expenses resulted from variable cost according to increasing in a volume of Available Seat-Kilometers (ASK) and jet fuel price including aircraft lease increase by fleet expansion. The net loss of operating performance in 2018 was 1,528.33 million Baht which increased from the net loss of the last year was 47.59 million Baht.

Currently, NokScoot Airlines Co., Ltd. operates schedule routes to China, Taiwan, India and Japan with Don Muang international airport being the center of four destinations to China; such as Nanjing, Tianjin, Qingdao and Shenyang, one destination to Taipei, Taiwan, one destination to Delhi, India and two destinations to Japan; such as Tokyo (Narita) and Osaka (Kansai).

NokScoot Airlines acquired one more aircraft (used Boeing 777 - 200) in Q2/2018 for business expansion purpose. Hence, at the end of 2018, NokScoot had total operating lease of 5 Boeing 777 - 200. The Company plans to increase frequency flights in the same routes and expand new routes later this year.

FINANCIAL STATEMENT POSITION (CONSOLIDATED)

Unit: Million Baht	Consolidated Financial Statement			
	As of 31 Dec 2017	As of 31 Dec 2018	Change	Percent
Total Assets	14,522.63	14,074.06	(448.57)	(3.09)
Total Liabilities	13,831.63	17,105.69	3,274.06	23.67
Total Owners of the Parent	1,315.02	(1,467.55)	(2,782.57)	(211.60)
Non - Controlling Interests	(624.02)	(1,564.08)	(940.06)	150.65
Total Shareholders' Equity	691.00	(3,031.63)	(3,722.63)	(538.73)

ASSETS

As of 31 December 2018, the Company and its subsidiaries had total assets of 14,074.06 million Baht, or decreased by 3.09% from year-end 2017. Total assets can be divided into current assets of 3,965.07 million Baht and non-current assets of 10,108.99 million Baht, accounting for 28.17% and 71.83%, respectively.

Total Current Assets: As of 31 December 2018, the Company and its subsidiaries had total current assets of 3,965.07 million Baht, or decreased by 17.08% from as of 31 December 2017. It was attributable to the decreasing in Cash and Cash equivalents by 55.21% caused by Trade and Other current receivables increased by 38.60% from year-end 2017.

Total Non-Current Assets: As of 31 December 2018, the Company and its subsidiaries had total non-current assets of 10,108.99 million Baht or increased by 3.78% from as of 31 December 2017. Mainly from the Company and its subsidiary have reviewed the presentation in the financial statement from the present netting amount of the maintenance reserve and provision for aircraft maintenance as plan to be present gross amount of them to present those items separately as asset and liability of the Company and its subsidiary.

LIABILITIES AND SHAREHOLDER'S EQUITIES

Total Liabilities: As of 31 December 2018, the Company and its subsidiaries had total liabilities of 17,105.69 million Baht or increased by 23.67% from as of 31 December 2017, which mainly from short-term borrowings increased by 242.86% and trade payables increased by 21.48%. Moreover, in this period the Company and its subsidiary have reviewed the presentation in the financial statement as mentioned above.

Shareholder's Equities: as of 31 December 2018, the Company and its subsidiaries had negative shareholder's equities of 3,031.63 million Baht or negative increased 538.73% from the deficit as of 31 December 2017. It was composed of negative 1,467.55 million Baht to the parent company and negative 1,564.08 million Baht to non-controlling interests.

CASH FLOW STATEMENT (CONSOLIDATED)

Unit: Million Baht	Consolidate Financial Statement			
	As of 31 Dec 2017	As of 31 Dec 2018	Change	Percent
Net cash provided by (used in) operating activities	(2,962.26)	(3,754.39)	(792.13)	26.74
Net cash provided by (used in) investing activities	(8.90)	193.08	201.98	(2,269.44)
Net cash provided by (used in) financing activities	2,866.57	1,662.60	(1,203.97)	(42.00)
Effect from foreign exchange rate in cash and cash equivalents	43.22	148.75	105.53	244.17
Net increase (decrease) in cash and cash equivalents	(61.37)	(1,749.96)	(1,688.59)	2,751.49
Cash and cash equivalents as of 1 January	3,231.22	3,169.85	(61.37)	(1.90)
Cash and cash equivalents as of 31 December	3,169.85	1,419.89	(1,749.96)	(55.21)



In 2018, the Company and its subsidiaries had net cash flow used in operating activities totaled 3,754.39 million Baht increased from 2,962.26 million Baht, or 26.74 percent. The significant items which highly affected to the cash flow were deposits at bank pledged as collateral, long-term aircraft deposits and prepayments, provision for aircraft maintenance recognized as expenses (reversal) as well as operating expenses, such as fuel cost, aircraft maintenance expenses and aircraft rental.

Net cash flows used in investing activities was 193.08 million Baht, mainly due to Proceeds from the shares in the subsidiary to non-controlling interests in amount of 235.39 million Baht. However, the Company received cash from interest income from financial institute amount of 20.39 million Baht.

Net cash flows provided by financing activities was 1,662.60 million Baht, mainly from cash received from short-term borrowings.

Moreover, the Company and its subsidiaries gained benefit to the effect from foreign exchange rate in cash and cash equivalents in amount of 148.75 million Baht.

Nevertheless, net cash and cash equivalents decreased by 1,749.96 million Baht as of 31 December 2018.

CORPORATE SOCIAL RESPONSIBILITY: CSR

Over the years, the Company recognizes the importance of corporate social responsibility (CSR) not only good corporate governance policy, but also both internal and external stakeholders, including employees, shareholders, partners/creditors, customers, competitors, communities, and the environment. CSR activities that are part of in - process and after - process activities are in accordance with the following eight CSR principles.



01 CSR ACTIVITIES RELATED TO IN - PROCESS OF BUSINESS OPERATIONS

1. FAIR BUSINESS PRACTICE

Nok Air has been operating business with fair treatment of all stakeholders, ranging from shareholders, employees, customers, partners, contractual parties, communities, society as a whole, and the environment. Not limited to legal requirement, its responsibility for the stakeholders includes refraining from any action that may infringe or impinge on the stakeholders' rights. Nok Air has formulated the Code of Conduct to ensure fair business practices as it considers

that corporate reputation for integrity, as well as the top management's reputation and goodness, is a valuable factor in its corporate success, progress, and profitability. This practice standard therefore has a direct impact on its corporate credibility. The Company's business operations shall comply with laws and regulations and respect its partners' and customers' rights.

2. ANTI-CORRUPTION POLICY

Nok Air Public Company Limited places a priority to anti-corruption and is committed to operating its business by adhering to moral, integrity, transparency and responsibility toward its stakeholders. Following this principle, the Company has come up with the best practice of the Board of Directors, the management and employees at all levels as reflected in the business Code of Conduct and the employee's Code of Conduct which are considered part of its corporate governance that will drive the Company toward sustainability.

• Objectives

1. To provide the Board of Directors, the management and employees with an opportunity to express their commitment to and embrace anti-corruption practice to their own.
2. To provide criteria and clear practice guideline to prevent the Company and its employees from breaching the Company's anti-corruption policy.
3. To review and monitor overall operations to ensure that the Company and employees strictly follow the anti-corruption policy.
4. To encourage the entire organization and employees to monitor and report fraudulent action or corruption via secured communication channel.

• Definition

Corruption refers to "an act or an omission not to act in one's duty or an unscrupulous exercise of one's power and violation of the laws, the Code of Conduct, regulation or policy of the Company in order to seek unqualified benefit in various manners such as demanding, accepting, offering or giving a property or any other benefit to a public official or any other individual who is doing a business with the Company or subsidiaries."

"Political assistance means directly or indirectly offering assets, money, goods, and privileges to support and help or for other benefits to political parties, politicians and people involved with politics or political events."

"Related persons means spouse, children, father, mother and close family relatives of the directors, executives and employees at all levels of the Company and subsidiaries."

• Policy

Nok Air has formulated the anti-corruption policy as a guideline for its practice as follows:

1. Directors, executives and employees shall in no case corrupt or support the corruption and will strictly comply with the anti-corruption measures.
2. Directors, executives and employees have a role to comply with the good corporate governance policy and the anti-corruption policy. The Board of Directors has entrusted the management to communicate and implement anti-corruption measures.
3. Directors, executives and employees shall strictly respect and comply with anti-corruption laws enacted in every country or locations that the Company operates business.
4. To nurture the corporate culture of integrity and honesty.
5. To provide employee training to encourage sincerity, integrity towards their work and to enable them to embrace the principle and ethical standard under the corporate governance policy to their own.
6. The Company puts in place the human resource development process that reflects Nok Air's commitment to anti-corruption practice, from selection, training, assessment, remuneration and promotion.
7. An internal audit is put in place for the Company to achieve its goal and to audit every department to see if they have complied with rules and regulations as well as to find out weaknesses and loopholes. In addition, the internal audit should provide advice regarding how to improve the operation system to become effective and efficient under the good corporate governance guideline.
8. Cooperating with the public sector by requiring every department who becomes a contractual party with the state to disclose their incomes and expenses to the National Anti-Corruption Commission of Thailand (NACC).
9. Designating the Company Secretary and the internal audit manager as persons who shall realize the corporate governance.

• Practice guideline

The Company has set up practice guideline as follows:

1. Directors, executives and employees shall strictly follow the Company's anti-corruption policy and shall not be directly or indirectly involved in any fraudulent action or corruption in any form.
2. Director, executive and employee shall not take any action that shows an intention to corrupt, give or take bribes to and from stakeholders who have relationship with the Company and subsidiaries in the matter that the person has direct or indirect responsibility in exchange for benefits of the Company or one's own or related persons.

3. In risk assessment, all executives shall be aware of risk of bribery, fraud and corruption related to business operations in order that they can properly manage such risks and regularly review risk prevention measures.
4. In any operations or work that may involve risk of corruption and fraud or being against the anti - corruption policy, employees of all levels and also those in the subsidiaries shall take careful action in the following areas:
 - 4.1 Giving and receiving gifts and entertainment: employees shall follow the good corporate governance practice and Code of Conduct as well as anti - corruption policy.
 - 4.2 Do not demand or accept assets, gifts and other benefits from customers, trade, partners, suppliers, competitors and others being engaged in a business with the Company, or involve in an entertainment or meals of excessive value than appropriate that may induce the employees to wrongly refrain from performing duty. In case the employee cannot avoid accepting such gifts or benefits, the person shall make sure that he/she strictly complies with related laws and that the gift presented has appropriate value, except for seasonal gifts or normal business reception. In case the value of such gift or offer exceeds 3,000 baht (three thousand baht), the person shall immediately inform the supervisor at Director level for acknowledgement.
 - 4.3 Business reception expenses and other expenses related to the Company's business operations are acceptable if reasonable. Such action must be carried out in accordance with the Company's regulations and transparent manner.
 - 4.4 Employees shall refrain from taking inappropriate action through convincing, influencing or an intention to obtain advantages or benefits.
 - 4.5 Donation to charity organizations shall be done on behalf of the Company and the charity organizations shall be reliable ones with clear objectives to operate for the society and not for profit. Receipt or certification shall be presented. Closely monitoring and audit shall be implemented to ensure that the donation is spent according to the objective and not used as an excuse for bribery.
 - 4.6 Sponsorship in any form, including cash, service, assets or items, given to any projects or activities as part of business support or corporate image of the Company and subsidiaries must clearly be done on behalf of the Company and subsidiaries in transparent and legal manner as well as in accordance with the process specified by the Company and can be audited.
5. An appropriate and regular internal audit system is put in place to prevent employees from involving in inappropriate action, especially in sales, marketing and procurement activities that have to meet with the Company's regulations and process and are transparent.
6. The Company has a policy to be politically neutral. All of its personnel have the political right and freedom as allowed by law. They should be aware of and do not take action or activity or use any resources of the Company and subsidiaries for political activity that may damage the political neutrality of the Company and subsidiaries caused by political involvement. The Company will not directly or indirectly provide political assistance to any political party.
7. Nok Air provides regular training for employees at all levels on anti - corruption and bribery to raise awareness on the anti - corruption policy. The trainings are incorporated with new employees' orientation.
8. All supervisors are responsible for communicating and ensuring good understanding among subordinates and ensuring that all employees have sufficient skills to appropriately implement and apply anti - corruption policy in the activities under their responsibility. The training also ensures that employees are aware of the Company's expectation and penalty in case of breach of the policy.
9. Employees shall not ignore when experience or encounter fraudulent activity or corruption related to the Company and subsidiaries. The employees shall immediately inform the supervisors or responsible person through whistleblowing channel specified in this policy and cooperate well to assist the investigation.
10. The Company shall protect employees and other persons reporting clues or evidence of fraudulent action or corruption related to the Company and subsidiaries, including employees denying to be involved in such corrupted action by implementing the measure to protect complainant or whistleblowers as specified in this policy.
11. The Company can assure employees that none will be demoted, punished or affected if denying the offer and reception of bribery although such rejection causes the Company to lose business or opportunity. The Company shall not allow anyone to threaten or delay or interrupt the employees who strictly comply with this policy.
12. A person involved in fraudulent action and corruption is considered breaching the policy and shall be subject to disciplinary penalty and legal penalty if the action breaks related laws.

13. The Company shall regularly review the guideline and measures to ensure that they are up-to-date and correspond to the changes in related laws, business environment and corporate governance.

- **Scope of complaint and whistleblowing**

When encountering an action that breaches the following:

1. Fraudulent action directly or indirectly related to the Company and subsidiaries, for example, when an employee is found to offer or receive bribes from government or private organization that have business relationship with the Company or subsidiaries
2. An action that causes the Company to directly or indirectly lose benefit or damages the Company's reputation
3. Action that does not follow operational process or regulations which doubtfully allow an act of fraud or corruption
4. An illegal, immoral and unethical action
5. Breach of this policy and good corporate governance principles
6. Being unfairly treated at work.

- **Clue reporting and whistleblowing channel**

The Board of Director has assigned the Audit Committee to receive clue or complaint related to an act doubtfully to be directly and indirectly involved with fraud and corruption against the Company through complaint reporting channel under this policy. The complainant shall provide true details of the issue or complaints, name, address and telephone number to the Company through the following channels:

1. **Sealed post**

- 1.1 Chairman of the Audit Committee
Nok Airlines Public Company Limited
3 Rajanakarn Building, 17th Fl., South Sathorn Road,
Yannawa Sathorn, Bangkok 10120
- 1.2 Company Secretary
Nok Airlines Public Company Limited
3 Rajanakarn Building, 17th Fl., South Sathorn Road,
Yannawa, Sathorn, Bangkok 10120

2. **Opinion box provided at the Human Resource Division**

- **The person who report the complaint**

The person who can file the complaint related to fraud and corruption is all stakeholder groups, including shareholders, customers, trade competitors, creditors, public organizations, community, the public at large, executives and employees of the Company and subsidiaries. Regardless of the channel the complaints are lodged, the person who reports such irregularities will be protected by law and practice guideline.

- **Measures to protect the person who complain or report clues related to corruption and fraud**

1. The Company will keep highly confidential the information, name, address and other informations that may identify the person who reports irregularity. Only the authorized persons responsible for the investigation shall have access to such information.
2. The person who receives the complaint and report has the duty to keep confident the information, complaints and evidence from the complainant or the person who file the complaint and must not disclose such information to other persons not involved in this matter, except only required by law.
3. The Company will disclose the information only when necessary and has to give top priority to the safety and damage on the complainant or the person who report the irregularity or the source of information and related persons.
4. The affected persons will be compensated through the fair and appropriate process.

- **Investigation and penalty**

If an investigation shows that the information and evidence received provides sufficient reason to believe that the accused is involved in fraudulent action or corruption, the Company will give the accused the right to have access to the allegation and the right to prove himself/herself. The accused will be given the opportunity to present addition information and evidence showing that he/she is not involved with such fraudulent action or corruption as accused.

If the accused is actually involved with the fraud or corruption, the person is considered breaking the Company's anti-corruption policy and shall receive disciplinary penalty according to the Company's regulations. In case such fraudulent action or corruption is also illegal, the person will be subject to legal penalty. The Audit Committee's decision on disciplinary penalty is final.

- Promotion of anti-corruption policy

To ensure that all employees are aware of the anti-corruption policy, the Company shall take the following actions:

1. Posting the anti-corruption policy on the notice board at the Company's offices at all locations it operates business
2. Distributing the anti-corruption policy via corporate communication channels, such as email to all employees and corporate website (www.nokair.com/investor_relations)
3. Form 56-1 and the Annual Report (Form 56-2)
4. Training on anti-corruption policy for new employees
5. Review and update the anti-corruption policy to ensure it corresponds with related announcement and policy

- Anti-corruption policy and code of conduct training

In 2018, the Company held training in the anti-corruption policy and code of conduct to ensure employees' compliance 3 times, as follows:

No.	Date	Number of participants
1	5 March 2018	51
2	2 July 2018	18
3	18 September 2018	33
Total		102

3. HUMAN RIGHT PROTECTION

Realizing the importance of, and promotes, human right protection, Nok Air provides services to passengers regardless of their nationality, race, gender, age, language, religion, etc. and provides them with equal treatment under the principles of dignity, humanity, independence and freedom. Nok Air does not infringe on others' rights, both legal rights and the rights that do not depend on legal provisions but on standard-based rights, which aims to ensure righteousness, fairness and justice. For example, the Company provides services for passengers who need special assistance, fair-price tickets, and compensation in the case of the Company's failure to provide the services as required. However, this will be in compliance with relevant laws, requirements, and regulations.

4. FAIR TREATMENT OF LABOR

Considering that employees are the Company's key component and the most valuable assets, Nok Air has a policy to offer fair compensation in accordance with relevant laws. Valuing occupational safety, which in the end has an impact on passenger safety, the Company provides employees, supervisors and executives with enhanced relevant knowledge through safety training courses. In addition, it prepares monthly Safety Bulletin to promote safety and thoroughly communicate this to their staff. In 2017, Nok Air held training in occupational safety and health and the working environment 8 times, as follows:

No.	Date	Number of participants
1	6 March 2018	51
2	31 May 2018	13
3	20 June 2018	30
4	3 July 2018	18
5	19 September 2018	32
6	25 September 2018	22
7	19 October 2018	27
Total		193

Nok Air developed the Occupational Safety Manual for its staff to ensure compliance with ministerial regulations and defined the administration and management standards for occupational safety and health and the working environment. All these aimed to raise their awareness of work hazards and practice guidelines to ensure safety at work because any types of jobs involve risks of accidents due to negligence and ignorance. The main causes of accidents are related to individual actions, such as being careless, taking a shortcut in a work process, disobeying rules and regulations, and failing to wear personal safety protection equipment. Actually, these can be prevented by the staff themselves, to ensure their better health and quality of life. The Company realizes that safety will strengthen their spirit and morale, which will eventually lead to corporate success and efficiency.

Nok Air attaches great importance to the recruitment and selection process to ensure high-quality personnel well-suited to its nature of business and corporate culture. It also provides job opportunities for persons with disabilities under the intention of the Article 33 of the Person with Disabilities Empowerment Act, B.E. 2550 (2007) and the Amendment (No. 2), B.E. 2556 (2013). This aims to improve the quality of life of persons with disabilities in terms of guaranteed jobs. This will enable them to use their capabilities to generate income and rely on themselves while reducing burden on their families and society. At the same time, this will empower them to strengthen the economy of their family and country.

The Company has implemented the compensation management policy that adheres to fairness, reasonableness, and consistency with staff's knowledge, abilities, and performance, through performance evaluation. In addition, the Company surveyed compensation of outside labor markets and companies in the same business to ensure that compensation procedure is appropriate, competitive, and attractive for new talents.

Nok Air underlines the importance of staff development by reviewing training courses to enhance the skills and capabilities of each level of staff. This is based on annually planned and designed training schedules, especially all management training courses for supervisors, junior management, and senior management. In 2018, the Company provided internal and external training for 2,520 staff, with per-head training period being 7.25 days per year on average.

Corporate communication has been continually focused on, and corporate activities have been organized all-year-round to develop and enhance bonds among staff. Nok Air also has the programs "Nok Huang Yai" and "Nok Klai Chit," which serve as channels through which staff directly communicate, share ideas, and make an inquiry with the Human Resource Department.

New staff members are provided with an orientation program and training program concerning Basic Airline Knowledge, which aims to equip them with knowledge and understanding about components of the aviation business as well as the relationships between the aviation business and industry. New staff members are exposed to actual work systems and procedures of all functions, including Flight Operations. They also have to learn about the Company's anti-corruption policy, which aims to create their awareness of the significance of this matter.

Nok Air has provided fair treatment to the workforce with full commitment to deliver "safety, development, bonding, and communication" to all employees.

5. RESPONSIBILITY FOR CUSTOMERS

In 2018, Nok Air focused on providing high-quality, safety, and customer-satisfaction oriented services. It focused to create customer confidence by providing new-model aircrafts-Boeing 737-800 and Bombardier Q400 and engaging a world-leading aircraft maintenance expert to provide maintenance services. Consumers can be of high confidence in its internationally-recognized safety standards for production and maintenance. This aims to comply with Nok Air's safety policy, its top-priority policy, obligation, and highest responsibility for its consumers.

Considering that aviation safety is its top priority, Nok Air has continually provided training for its pilots to ensure the highest standards. As a result, it has been certified by the Federal Aviation Administration (FAA), the most-recognized organization in aviation. Its pilots are equipped with extensive flying hours and extensive experience in flying, routes, topography, and local weather. Consumers can have complete confidence in, and trust, its high-quality personnel whenever they travel by Nok Air flights. Trained in international standards, Nok Air's flight attendants are ready to ensure passenger safety, convenience, and smiling throughout the flight.

In addition to safety confidence, Nok Air emphasizes on services that provide customers with utmost convenience and satisfaction, including advance seat selection, in-flight snacks and beverages, and minimum baggage allowance without extra charge. It offers channels that allow convenient and quick ticket booking and payment. In case of flight delay or cancellation, passengers will be provided with prior notification via email, SMS, or telephone. Passengers who cannot be reached via these channels will be informed at the check-in counter. Nok Air has developed its service process to ensure travel flexibility and convenience, with the Web Check-in service via the website to check-in in advance before traveling and response to customers' feedback and complaints. The "Nok Care" and "Nok Feedback" Programs are dedicated to receiving customer complaints, which will be analyzed to optimize services in line with consumer needs.

6. RESPONSIBILITY FOR THE ENVIRONMENT

Being aware that it is part of environmental protection, Nok Air has searched for ways of reducing natural resource usage in the production and service processes. Nok Air has chosen New Generation Boeing 737 - 800, which uses 'carbon brakes,' an innovation that significantly reduces the aircraft weight, compared with its traditional brakes - 'steel brakes.' This new brake system helps to save fuel and reduces carbon dioxide emissions. Using carbon materials, which are more durable and have a longer service life than steel materials, the carbon brake can significantly shorten maintenance periods.

Nok Air also uses the NextGen Bombardier Q400 for short-haul routes. It is the only turboprop model that is accompanied with the active noise and vibration suppression (ANVS) system, which reduces noise pollution. It can decrease fuel consumption by 7% and carbon emissions by 35%. Thus, Nok Air passengers can enjoy a convenient, quiet, fast, and environmental friendly short-haul flight, exclusively offered in Thailand by Nok Air.

In addition to using the aircraft with innovation that helps to reduce natural resource usage, Nok Air has introduced the "Mobile Boarding Pass." With this system, passengers can do online check-in via its website and mobile application, supported by various devices, e.g. iPhone, iPod Touch, iPad, Blackberry and Android devices. This significantly reduces paper consumption in the production and service processes, which promotes campaigning against global warming.

7. POSSESSION AND DISSEMINATION OF INNOVATION DERIVED FROM ACTIVITIES RELATED TO RESPONSIBILITY FOR SOCIETY, THE ENVIRONMENT, AND STAKEHOLDERS

With good understanding about passengers' service expectations, Nok Air has introduced innovations to achieve enhanced convenience and confidence of its passengers, as follows:

- **Transit Service by Value Alliance**

Value Alliance is the alliance of 8 leading best-value airlines in Asia Pacific region, comprising Cebu Pacific (including Cebgo), JEJUair, Nok Air, Nok Scoot, Scoot, Tiger Air (Singapore), Tiger Air (Australia) and Vanilla Air. The alliance accesses more than 160 destinations across Asia Pacific, covering one third of the world, with more than 176 aircraft. This new route connection will strengthen the market expansion to other areas. With only a single step of reservation, the alliance introduces new dimension of travel and full service, which will enhance the passengers' experience. In this collaboration, members share routes to create value and increase travel options, which connect the routes in Southeast Asia, North Asia and Australia and facilitate the passengers in travelling.

Passengers may select flights and reserve airline tickets directly on the website of each airline. They can book a seat of one airline to fly to the destination of other member airlines. The system will select the best flight from all airlines. The advanced technology developed by Air Black Box (ABB), top multi-carrier booking system, connected all flights in only one transaction. This service will offer more choices of destinations and the passengers of each airline will enjoy more convenience.

- **Nok Air Mobile**

Nok Air introduces mobile application as a new alternative to help the passengers reserve the ticket and manage booking. Working on any operation system (iOS and Android), this paperless system can alleviate the global warming. The passengers can download the application to enjoy the following service by Nok Air anytime anywhere:

- Booking domestic and international flights and enjoying Fly 'n' Ferry and Fly 'n' Ride service in some routes.
- Payment by credit card or ATM or at service counter
- Nok Air news, promotion and privileges
- The passengers may turn the mobile phone into boarding pass and conveniently wait in front of the gate.
- Checking the price of low-cost tickets with "low-cost ticket" functionality.
- The passengers can check the booking and boarding pass offline on mobile phone.

02 SOCIAL RESPONSIBILITY BEYOND NORMAL BUSINESS CONDUCT (AFTER - PROCESS)

Nok Air recognizes the importance of business conduct with social responsibility. It also has good intention to take part in community and social development, especially children development. That is because the Company is aware that they will become the qualified citizen in the future. As a result, Nok Air comes up with tangible community and social development plans under four topics, namely Sharing Nok, Learning Nok, Visionary Nok and Delighted Nok, as a guideline for its activities every year.

In 2018, Nok Air implemented the following projects:

NOK SHARING

Nok Sharing is a project that provides support and assistance to those who lack of opportunities or social disadvantages in accessing various development areas in order to create a better quality of life. This includes helping to extend the life of the underprivileged by the project throughout the year 2018 consisting of:

1. Nok Spread the Love on Valentine's Day: Organizing recreational activities on Valentine's Day of love. Nok Air organizes activities for patients and relatives to be relaxed and entertained at the children's hospital by bringing joyful birds, sweets Nok, toys, souvenir to encourage outpatients who have been treated, including children who are inpatients who have been in treatment for a long time, and encouraged the relatives of patients who come to watch for good spirit.

In addition, Nok Air also visited and encouraged the girls at the Rajavithi Home for Girls, a group of children who lacked one who looks after of and came from poor or broken families in order to encourage them to live in a good future and be an important force in creating a good society.

2. Nok Happy Feet is a project that Nok Air aware that there are many people in the wilderness that are cut off from the outside world. Especially during the rainy season where traffic is difficult, where the road is ravaged by destruction. Children and youth who walk to school lack the shoes to wear. Nok Air would like to be an organization that will help support consumer goods, necessary appliances and shoes for every step of the way. "The Walk of Happiness" which is the source of the project name "Nok Happy Feet".

At present, the project "Nok Happy Feet" has been running the project for more than 3 years. This year, Nok Air traveled to give assistance at Nakian Subdistrict, Omkoi District, Chiang Mai Province by bringing more than 1,200 pairs of shoes, various items and consumables to help support the happiness of the Thai community, Mae Fah Luang mountain.

3. Nok Toy Story The creative project that is organized for the second year, which is a collaboration of Nok Air and Nok Air employees to share toys, dolls, and books for underprivileged children. This year, we donated to Somnuk Witiworakan School and Ban Kluai School, Ratchaburi Province.
4. Nok Gives Life Giving the opportunity to be one of the most spectacular giving and happiness from sharing the love for the underprivileged to have a new life can help the Thai society to be more live able and beautiful, which is currently in operation until the 13th year this year. Nok Air creates a Nok Gives Life key chain for sale. All proceeds from the sale after deducting expenses will be donated to the Children's Heart Disease Foundation under the patronage of Her Royal Highness Princess Galyani Vadhana Krom Luang Narathiwat Rajanagarindra to help pediatric patients with heart disease that is scarce, which can help patients to receive more than 500 heart surgery. It can be purchased at all airports and on every flight of Nok Air until the end of 2018 "because we believe Love is giving" YOU GIVES LOVE, NOK GIVES LIFE.

NOK LEARNING

The Company recognizes the importance of children's learning and education, therefore with the cooperation of the Ministry of Social Development and Human Security, a project named "Fill the Dream for Youngers" has been launched to enhance school outdoor skills for underprivileged students. During 2018, Nok Air CSR team activated such events in 8 schools as following:

- Watsamkor School, Ayudhaya province
- Watbanpan School, Ayudhaya province
- Ban Khun Mae Nai School, Chiang Mai province
- Kiew Saew Old School, Chiang Mai province
- Bantakayang School, Chantaburi
- Banwangrang School, Nakornrajsima province
- Bankudnoi School, Nakornrajsima province

Total 650 students of the whole project.

NOK DELIGHTED

Nok Delighted Project's main purpose is to give, whether in forms of tangible giving or spiritual giving. Throughout the year 2018, Nok Delighted has anticipated to 3 projects namely as follows:

1. Project "1 Your Meal = 1 Younger Meal"

The cooperation with CCF (Community Children Foundation) under the Royal Patronage of HRH Princess Mana Chakri Siridhorn and Nok Air aiming to develop the poor children and youth to have a better quality of life in terms of food, education and future career by partial revenue of advanced meal order onboard from passengers would be contributed to children of CCF.

2. Nok Air's Tickets Sponsorship for Humanitarian and Social Assistance Projects are as following:

- 2.1 Thai Red Cross Eye Center: For a period of more than a decade, Nok Air has sponsored free air tickets for 400 - 600 flights per year to doctor and medical support teams for the purpose of the center that there had been 2,093 recipients of the organ who resumed the sight and had continued a better life.
- 2.2 "Panfun Panyim Project" (Share a Dream, also a smile) was a coordinative project of the Office of the Permanent Secretary for Defense and Nok Air on capacity of social assisting through many projects such as building schools in the remote areas, helping the underprivileged patients from various areas to be admitted in hospitals in Bangkok, etc.
- 2.3 Fund for Poor Psychiatric Patients, Loei Ratchanakharin Psychiatric Hospital: with Nok Air's vision and support to the indegence of psychiatirc patients as an intermediary between the needy (patient) and the kalayanamitr (donor) who is ready to give, Chairman of the Poor Psychiatric Patients Fund of Loei Psychiatric Hospital, Dr. Piyada Hachaiyapoom had named the fund as "Poor Psychiatric Patients Fund of Loei Psychiatric Hospital" in order to enhance the opportunity for ones who are ready to give to ones who are ready to receive. During these 5 years, the Fund has served its purpose to improve the quality of psychiatric patients' treatments in stepping back with value into social as "we will be of value when we are useful to ourselves and others".

2.4 "Kao Taam Roi Doi Kam Project" was supporting an activity of walk-run rally "Kao Taam Roi Doi Kam". Runners who participated in the event did not only aim to compete to the finished line but the main aim was also to run through the path with an experience of the "community of happiness rendered by our Father", which was to gain access to profound understanding that the sustainable development through the Royal Initiative Project plays an important role in building a strong and happy community. The income earned from this event, after deducted expenses, had contributed to educational equipment for 6 schools in Mae Ngon sub-district and medical equipment for 2 Tambon Health Promotion Hospitals.

2.5 "Rak Na...Ranong Project" was a supporting project took place in Ranong province with the cooperation from the Ranong Provincial Chamber of Commerce to promote tourism in Ranong and to preserve and develop marine and coastal resources in Ranong province.

2.6 "7th Phuket Run to Give" was a project to support the run expo charity organized by The Marriott international at Bang Ward Dam, Phuket. The event was held for the 7th time, it's aim was to raise fund to support the project "Panfun Panyim" and Children and Youth Development Fund in the remote area according to the initiative of HRH Princess Maha Chakri Sirindhorn.

2.7 Medical Volunteer Foundation (Por Or. Sor Wor. - The Princess Mother's Medical Volunteer Foundation): Nok Air provided airtickets to the Foundation's mobile dentists team to serve the people in rural and remote areas according to the royal determination of The Princess Mother who once said, "It's a troublesome to let a farmer leave his plantation and go to see the doctor in the city". The recognition and air travel facilitation provided to the Medical Volunteer Foundation by Nok Air had benefited the sufficient budget for the Foundation to provide more efficient medical equipment and make it possible to help more country fellows.

3. Details of Air Transport Support are as following:

- 3.1 Thai Red Cross transferring of organs, tissues and blood. Nok Air has supported the transport of organs, tissues and blood to Thai Red Cross Organ Donation Center for all these 8 years. There were a total of organ transplants of 2,093 patients during 2011 - 2018 with the contribution of Nok Air.
- 3.2 Cargo Transport: Friends of Pa Foundation in the events of calamities.
- 3.3 Transport to help dogs in Soi Dog Project which helped more than 200 dogs for the past 3 years.
- 3.4 Transport the helping equipments of government and private sector in the Wild Boar Academy rescue.

Nok Air would like to express appreciation to each and every passenger who has taken part in contributing to the implementation of various projects from the first day of organs, tissues and blood transfer project of the Thai Red Cross, until this present day, the contributions of Nok Air have grown into many more projects with social responsibilities which have all accomplished well. Thanks to the co-operations rendered from all sectors, including government agencies, private agencies, passengers, including Nok Air employees.

BUSINESS OPERATIONS THAT AFFECT SOCIAL RESPONSIBILITY

In 2018, there were no business operations that affect social responsibility.



NOKAIR





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