

Part 2

Management and Corporate Governance

7. Securities Information and Shareholders

7.1) Number of Common Shares and Paid-up Capital

- (a) Registered capital and Paid-up capital was Baht 7,111,160,664 consist of 1,185,193,444 ordinary shares of 6 Baht each.
- (b) Other Shares:
none

7.2) Shareholders

- (a) Major Shareholders :

No.	Names of Shareholders	3 March 2015	
		Number of shares (shares)	%
1	SOLVAY VINYL HOLDING AG	696,511,059	58.768
2	PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED	296,038,689	24.978
3	CHAROEN POKPHAND HOLDING CO., LTD.	21,200,000	1.789
4	MR. CHAVENG APATA	13,950,000	1.177
5	THAI NVDR COMPANY LIMITED	13,272,432	1.120
6	MR. ANUCHA KITTHANAMONGKONCHAI	11,500,000	0.970
7	EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD	6,688,917	0.564
8	MR. VITTAYA CHUSAK	4,118,200	0.347
9	MRS. CHONGPHIS KITTHANAMONGKONCHAI	4,030,000	0.340
10	MR. YANYONG PHATRALAOHA	3,537,800	0.298

- (b) At the above-mentioned latest closing date of the share register, the group of major shareholders who can significantly influence and determine the policy, management and operations of the Company are as follows:

- Solvay Group held a total of 696,511,059 shares, or 58.768%, in the Company:
 - 1. SOLVAY VINYL HOLDING AG 58.768%
- PTT Global Chemical Public Company Limited holds a total of 296,038,689 shares, or 24.978%, in the Company.
 - 1. PTT Global Chemical Public Company Limited 24.978%

- (c) *Shareholder's Support Agreement*

-none-

7.3) Other Securities
none

7.4) Dividend Policy

It is the policy of the Company to pay an annual dividend of not less than 30 percent of net profit after tax and legal reserve.

The dividend payment policy for VNT's subsidiaries

The payment of dividends by the subsidiaries shall be considered and proposed by the Board of Directors of each subsidiary for approval at the Annual General Meeting of each subsidiary. The dividend payment of subsidiaries shall be calculated based on the investment plans and other requirements and considerations, such as the adequacy of cash flow of each subsidiary after deducting reserve funds in accordance with the law.

8. Management Structure

The Company's management structure comprises the Board of Directors and three other committees, namely the Business Advisory Committee, the Audit Committee and the Nomination and Remuneration Committee.

8.1 Board of Directors Structure

STRUCTURE OF THE BOARD OF DIRECTORS

- ▶ The Board of Directors comprises at least 10 directors, not less than half of whom must have residence in Thailand.
- ▶ It is the policy of the Board of Directors that the Chairman and Chief Executive Officer or Managing Director should not be the same person. This is so as to ensure clarity of responsibilities for issuing governance policy and undertaking the Company's management.
- ▶ The Board of Directors is responsible to shareholders, with each director representing all shareholders and participating in the corporate governance of the Company with independence and neutrality, for the benefit of all shareholders and other stakeholders.
- ▶ The Board of Directors sets its own appropriate membership numbers and composition, including a proportion of independent directors that is equal to at least one-third of the total board size and numbering not less than three positions.
- ▶ At least one Independent Director should be knowledgeable in the matter of reviewing the Company's financial statements.
- ▶ The Directors may not be directors of more than five listed companies on the Stock Exchange of Thailand and must notify the Board of Directors of their positions for acknowledgement and approval.

CHARACTERISTICS AND QUALIFICATIONS OF DIRECTORS

- Directors must be persons who have knowledge and experience that are beneficial to the Company's business and must understand and be interested in the Company's business.
- Directors must be qualified in accordance with Section 68 of the Public Company Limited Act, B.E. 2535.
- Directors must be recruited and approved by the Board of Directors.
- No Director shall engage in any business of the same nature as or coinciding with the business of the Company, either for their own benefits or for the benefits of others, unless they have notified the General Meeting of

Shareholders prior to their appointment as director.

- Directors shall act in good faith, ethically and honestly.
- Directors shall be responsible and accept the obligation to fully perform their duties for the Company and interested parties, ethically and legally.
- Directors must use independent discretion that shareholders can trust.
- Directors must devote time and pay attention to the Company's affairs and regularly participate in the Company's meetings.
- Directors must comply with corporate governance guidelines set by relevant agencies.

The Board of Directors is in charge of managing and carrying on the business of the Company in accordance with the law, the Company's objectives and Articles of Association, and any resolutions that are made at the shareholders' meeting. The Board of Directors performs its duties in good faith, with due diligence and care, in the optimum interest of the Company. Moreover, the Board of Directors plays a role in endorsing the Company's vision, mission and strategy. The setting of targets, business plans and the corporate budget are also the responsibility of the Board of Directors. Under the Board's direction, the Company has implemented the internal control and internal audit systems, along with effective risk management measures. In addition, the Business Advisory Committee and Audit Committee are assigned to monitor constantly the Company's performance and internal audit operation.

The Board of Directors is accountable for clearly defining and separating the roles and responsibilities of the Board of Directors, the Audit Committee, the Business Advisory Committee, the Nomination and Remuneration Committee and the management.

The Board of Directors supervises and monitors the activities of the Business Advisory Committee to ensure that its performance is in line with the established policy. The Board of Directors shall consider and approve the Company's capital expenditure in accordance with the Business Advisory Committee's review. However, such expenditure cannot be approved without the consent of the shareholders if a conflict of interest is involved. Similarly, the shareholders' consent is required in specific situation itemized under the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Pursuant to the Company's Articles of Association, the Board of Directors shall comprise at least 10 directors, provided that not less than half of the total number of directors must have residence in Thailand. The Board structure consists of accepted knowledge, competent persons with various qualifications, skills, experience and expertise that can provide optimum benefit to the Company and its shareholders.

As of 31 December 2015, the Board of Directors comprises 11 directors as follows:

1. Mr. Vincent De Cuyper ^{1/}	Chairman of the Board of Directors / Chairman of the Nomination and Remuneration Committee
2. Mr. Supattanapong Punmeechaow	Vice Chairman of the Board of Directors / Member to the Nomination and Remuneration Committee
3. Mr. Pipop Pruecksamars	Independent Director / Chairman of the Audit Committee / Member to the Nomination and Remuneration Committee
4. Mr. Bruno Van der Wielen	Director / Managing Director / Member to the Business Advisory Committee
5. Mr. Pote Videtyontrakich ^{2/}	Independent Director Member to the Audit Committee.
6. Mr. Vincenzo Morici ^{1/}	Director / Member to the Business Advisory Committee
7. Mrs. Puntip Oungpasuk	Director / Chairperson of the Business Advisory Committee
8. Associate Professor Dr. Danuja Kunpanitchakit ^{2/}	Independent Director / Member to the Audit Committee
9. Mr. Andre R. van der Heyden	Independent Director
10. Mr. Martin Laudenbach ^{1/}	Director
11. Mr. Richard Verlaque ^{1/}	Director

Note: ^{1/} director whose residence is outside the kingdom

^{2/} declared as audit committee member with adequate expertise and experience to reliably review the accuracy and credibility of the Company's financial statements

Experience and educational qualifications of the Board of Directors are disclosed in the Attachment 1 - Information of Directors, Management, Empowered Persons, and Company Secretary together with the disclosure of Information of Director's Position in Subsidiary Company.

The directors authorized to sign on behalf of the Company are Mr. Vincenzo Morici or Mr. Bruno Marie Joseph Van der Wielen or Mr. Martin Laudenbach and Mr. Richard Marcel Auguste Verlaque or Mr. Vincent De Cuyper or any of these five persons can jointly sign with Mr. Supattanapong Punmeechaow or Mrs. Puntip Oungpasuk totalling two persons with the Company's Seal affixed.

Directors, who have the authority to sign for the Company as mentioned above, have

appointed Mr. Bruno Marie Joseph Van der Wielen, as Managing Director, to do and execute any and all acts and things in connection with the business of the Company as granted by the General Power of Attorney of Company.

Furthermore, Mr. Bruno Marie Joseph Van Der Wielen, who is the company's representative as Managing Director so designated by the General Power of Attorney as mentioned above, has assigned his power to Company's Management, in the level of Business Director, Operation Director, Vice President, Deputy Plant Manager, Assistant Vice President, Senior Department Manager and Department Manager to perform any and all of the acts and matters in connection with the business of the Company specified by the Deed of Substitution.

For the Roles and Responsibilities of the Board, please see details under item 9 Corporate Governance, No. 9.7 Corporate Governance Policy, sub-item no. 5.5 Responsibilities of the Board - Roles and Responsibilities of the Board

MEETING OF THE BOARD OF DIRECTORS

- At the beginning of the year, the schedule of the Board meeting shall be set in advance to allow the directors to arrange their timetable for attendance of every meeting. Special session of the meeting may be called by the Chairman as deemed appropriate
- Meetings of the Board of Directors shall be held at least once every three months.
- Not less than fifteen days prior to the meeting date, notice of the Board of Directors' meeting shall be given to each director or director's representative. The Company Secretary is responsible for ensuring that the Board of Directors receives adequate and timely information. The Company Secretary is responsible for ensuring that all directors receive relevant information at least seven days in advance in order that they may have enough time to study the materials, consider the matters raised and reach appropriate decisions to be expressed at the applicable Board of Directors' meeting.
- At all meetings of the Board of Directors, at least one half of the total number of directors in office shall constitute a quorum.
- Directors who have an interest in agenda items under consideration will be considered non-voting and shall not participate in that part of the meeting.
- Directors can access and request from the management information regarding the Company's operations. They can also request an opinion from the Company's independent external advisors at the Company's expense.
- The Chairman of the Board shall approve the matters to be included in the agenda in consultation with the Company Secretary. The Company Secretary will consider the directors' request to add other important matters for

consideration at the next Board of Directors' Meeting.

- The Chairman is responsible for allocating sufficient time for management to present sufficient information for the Board of Directors to fully discuss important issues.
- The Chairman of the meeting shall highlight items on the agenda for consideration by the directors and give necessary support and opportunity for each director to share his/her opinion in order to process ideas and reach a conclusive resolution by the meeting.

Each meeting usually lasts approximately three hours. The concerned management may also attend the meeting to make presentations and join discussions on issues of concern. The Chairman of the Board provides sufficient time for the meeting so that the management can present pertinent information and the Board of Directors can discuss the issues at hand.

The record of Board of Directors meeting and committee meeting attendance for 2015 is as follows:

Meeting attendance / Total no. of meeting

Name	Board of Directors Total 5 times/year	Business Advisory Committee Total 6 times/year	Audit Committee Total 5 times/year (including the Non-Management meeting)	Nomination and Remuneration Committee Total 2 time/year
1. Mr. Vincent De Cuyper ⁽¹⁾	5/5	-	-	2/2
2. Mr. Supattanapong Punmeechaow	2/5	-	-	1/2
3. Mrs. Puntip Oungpasuk	5/5	6/6	-	-
4. Mr. Vincenzo Morici ⁽¹⁾	4/5	6/6	-	-
5. Mr. Martin Laudenbach ⁽¹⁾	4/5	-	-	-
6. Mr. Richard Verlaque ⁽¹⁾	5/5	-	-	-
7. Mr. Bruno van der Wielen	5/5	6/6	-	-
8. Mr. Pipop Pruecksamars	5/5	-	5/5	2/2
9. Mr. Pote Videtyontrakich	3/5	-	4/5	-
10. Mr. Mr. Andre R. van der Heyden	3/5	-	-	-
11. Associate Professor Dr.Danuja Kunpanitchakit	1/5	-	5/5	

12. Mrs. Vallapa Assakul ⁽²⁾	1/1	-	-	-
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⁽¹⁾ Directors whose residence is outside the Kingdom.

⁽²⁾ Resigned from the Company's independent director, effective from 13 February 2015; therefore the number of directors' meetings are 1 times/year.

- Current Business Advisory Committee members are directors number 3, 4, and 7
- Current Audit Committee members are directors number 8, 9 and 11
- Current Nomination and Remuneration Committee members are directors number 1, 2, and 8

Directors who are representatives of the foreign shareholder and who do not reside in the Kingdom are sometimes unable to attend Board meetings. However, in such cases, they arrange to have at least one of them attending the meeting. The directors share their opinions and propose suggestions related to the agenda and meeting materials which are submitted to them in advance.

Committees

The Board of Directors has set up 3 committees to strengthen good corporate governance and support its administration as follows:

- (1) The Business Advisory Committee
- (2) The Audit Committee
- (3) The Nomination and Remuneration Committee

(See details under Item 9 : Corporate Governance, No. 9.2 : Committees)

8.2 Management Staff

As at 31 December 2015, the management according to the definition of the SEC, which is the Managing Director and 4 persons downward, are:

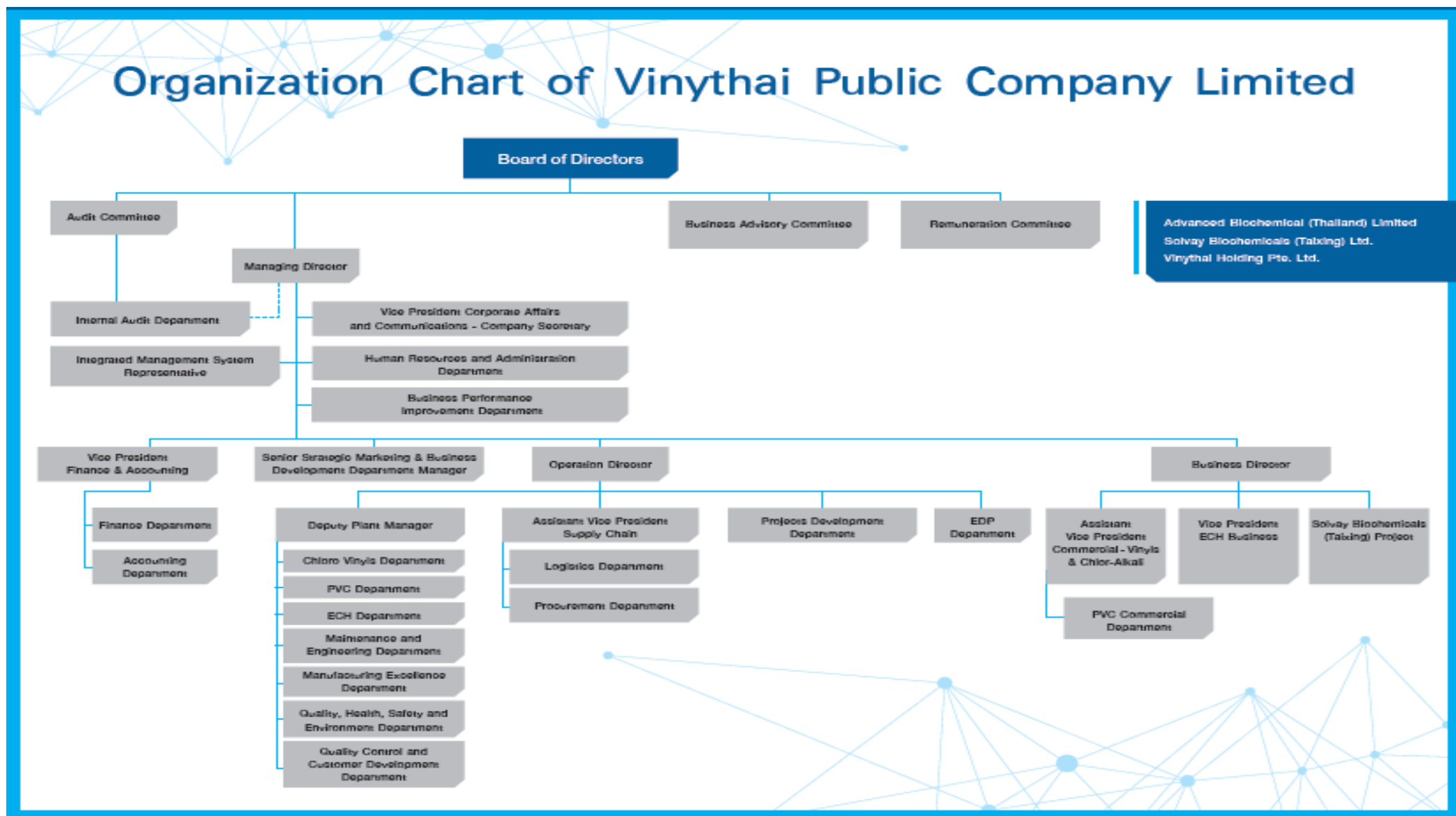
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|----------------------------------|---|
| 1. Mr. Bruno van der Wielen | Managing Director |
| 2. Mr. Jean-Luc Preat | Business Director |
| 3. Mrs. Siriporn Wutthilaohaphan | Operation Director |
| 4. Mrs. Jamjuree Sirovetnukul | Vice President Finance and Accounting |
| 5. Mr. Sompot Cheeranorawanich | Vice President Corporate Affairs and Communications - Company Secretary |

Finance Department Manager is as follows:

Mr. Ms. Naddawan Triyawathanyu - Finance Department Manager

Accounting Department Manager is as follows:

Mr. Kittipong Jamsak - Accounting Department Manager



8.3 Company Secretary

Mr. Sompot Cheeranorawanich, Vice President - Corporate Affairs and Communications has been appointed as the Company Secretary effective from July 24, 2008.

(Experience and educational qualification of the Company's Management is disclosed in the Attachment 1 - Information of Directors, Management, Empowered Persons, and Company Secretary).

8.4 Remuneration of Directors and Management

8.4.1 Remuneration (money)

The Company has fixed a policy for remuneration of directors that entails maximum transparency. The remuneration is considered by the Nomination and Remuneration Committee and proposed to the Board of Directors to seek approval from the Company's shareholders. The remuneration of directors is set at a level that is appropriate within the industry. Any Board members who serves in various positions, in the Board, shall receive payment only from the position with the highest remuneration.

In 2015, the shareholders' meeting considered and approved monthly remuneration of the directors as follows:

- Chairman of the Board of Directors	70,000 Baht/month
- Vice Chairman	50,000 Baht/month
- Chairman of the Business Advisory Committee	65,000 Baht/month
- Business Advisory Committee	60,000 Baht/month
- Chairman of the Audit Committee	65,000 Baht/month
- Audit Committee	60,000 Baht/month
- Other Director	30,000 Baht/month

The Remuneration for the Board of Directors includes monthly remuneration and bonus. In 2015, the shareholders approved remuneration for the Board of Directors in the shareholders' meeting, including bonus payments based on the operational results for 2014. The total remuneration for the Board of Directors amounted to 7,002,857.14 Baht, inclusive of a total bonus payment of 0.00 Baht. Details are as follows:

Unit: Baht/year				
Name	Position	Remuneration	Bonus paid in 2015	Total Remuneration and Bonus
1. Mr. Vincent De Cuyper	Chairman of the Board of Directors / Chairman of the Nomination and Remuneration Committee	840,000	-	840,000

2. Mr. Supattanapong Punmeechaow	Vice Chairman of the Board of Directors / Member to the Nomination and Remuneration Committee	600,000	-	600,000
3. Mr. Bruno van der Wielen	Director / Managing Director / Member to the Business Advisory Committee	720,000	-	720,000
4. Mr. Pote Videtyontrakich	Independent Director / Member to the Audit Committee	720,000	-	720,000
5. Mrs. Puntip Oungpasuk	Director / Chairperson of the Business Advisory Committee	780,000	-	780,000
6. Mr. Pipop Pruecksamars	Independent Director / Chairman of the Audit Committee / Member to the Nomination and Remuneration Committee	780,000	-	780,000
7. Mr. Vincenzo Morici	Director / Member to the Business Advisory Committee	720,000	-	720,000
8. Associate Professor Dr. Danuja Kunpanitchakit	Independent Director / Member to the Audit Committee	720,000	-	720,000
9. Mr. Andre R. van der Heyden	Independent Director	360,000	-	360,000
10. Mr. Martin Laudenbach	Director	360,000	-	360,000
11. Mr. Richard Verlaque	Director	360,000	-	360,000
Directors who were appointed during 2015				
-no-	-	-	-	-
Directors who resigned during 2015				
12. Mrs. Vallapa Assakul ⁽¹⁾	Independent Director	42,857.14	-	42,857.14
Grand Total		7,002,857.14	-	7,002,857.14

⁽¹⁾Resigned from the Company's independent director effective from 13 February 2015

In addition to above, as resolved by the Nomination and Remuneration Committee, executive who served as the company secretary is entitled to receive an appropriate additional remuneration due to increased workload. The total of remuneration of the company secretary paid in 2015 was 240,000 Baht, comprising total annual remuneration of 240,000 Baht and annual bonus payment of 0.00 Baht.

Remuneration of management is in conformity with the principles and policy set by the Board of Directors, which corresponds to the performance of the Company. The total 2015 remuneration for the 5 executives (as the definition of the SEC) was 43,744,352.77 Baht, such remuneration comprised salary and bonus.

8.4.2 Remuneration (other)

- Other Remuneration for Director

-none-

- Other Remuneration for Management

Provident Fund

The Company provides pension support to employees by contributing to the provident fund at a level of 5% to 8% of basis salary.

8.5 Personnel

As at 31 December 2015, total headcount is as follows:

	Vinythai	Advanced Biochemical (Thailand)	Solvay Biochemicals (Taixing)
Map Ta Phut	413	3	0
Bangkok	37	2	0
China	0	0	2

Employees in each main working unit are :

	Vinythai	Advanced Biochemical (Thailand)	Solvay Biochemicals (Taixing)
Managing Director Unit	15	0	0
Business and Administration	24	2	3
Production Unit	200	3	0
Production and Business Support Unit	211	0	0
Project and Construction Unit	0	0	2

Remuneration to Staffs

In 2015, the total remuneration consisting of salary, bonus and other benefits, including provident fund scheme paid to employees is as follows :

	Vinythai	Advanced Biochemicals (Thailand)	Solvay Biochemicals (Taixing)
Total Remuneration of employees (MTHB)	521.06	41.0	3.13

HUMAN RESOURCES - A Journey towards HR Excellence

Vinythai is strongly committed to offering its employees a safe working environment and promoting their professional development. It is a Company policy to respect fundamental human rights and provide all its employees with equal opportunity without any discrimination to the Company also promotes regular dialogue with its employees and their representatives in an atmosphere of trust.

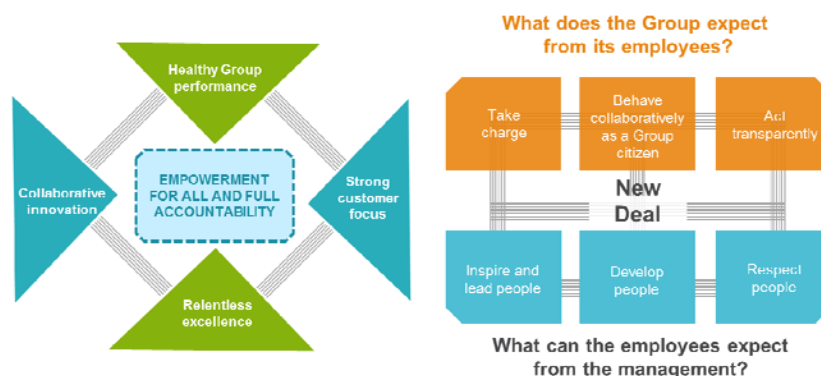
1) Vinythai Values Its Employees

Vinythai values and respect equally its employees. All employees are also expected to respect the distinctions of our individuality. The Company provides equal opportunity and encourages diversity at every level of employment. All employees should respect one another and should move forwards the Company's objectives collectively and collaboratively without regard to race, ethnicity, religion, national origin, gender, sexual orientation, disability, age, family status, or any other basis. Unlawful discrimination will not be tolerated.

Vinythai is also committed to respecting and supporting human rights with regard to its employees, the communities in which it operates and its business partners. The Company prohibits any kind of child labor or forced labor and takes seriously any indication that human rights are not properly protected within the workplace or that it may be complicit in any human rights violation. Employees are expected to understand the human rights issues that may be at stake in their workplaces and should prevent any violation of these rights.

Furthermore, the Company promotes open labor relations in the workplace by collaboratively working with Welfare Committee, representatives of employees in the format of working groups and committees. The Company is committed to maintaining trust and constructive relations between Employees, their representatives and the management. All employees are encouraged to develop an open dialogue between themselves, their representatives and the management for mutual better understanding and favorable relationship.

2) Promoting Our Culture



Since the new culture was defined in the year 2013 with the deployment of the “Management Model & People Model”, embedding these principles in our day-to-day management required us to transform the Company’s culture. This foundation allows everyone, regardless of their level in organization, to develop behaviors consistent with this new culture. Employee ownership is of great importance. Our Management Model builds on our culture of excellence and aims to empower teams, committing them to tangible objectives, and encourages a “customer-oriented” and “collaborative innovation”. The People Model, a “social contract” between the Company and its employees promotes the relationship based on dialogue, mutual respect and transparency.

3) Develop People

“E3 Leader Program: Engage, Empower, Execute” was extended this year to Supervisor and Engineer level after successfully rolled out last year for all Manager. This 4-month program aims to build our management skills in positively engaging and empowering our people which encourage initiative, culture of accountability and results at all levels.



Along the journey of this program, our Supervisors and Engineers applied skills and processes to conduct powerful, focused and productive conversations with peers, employees, customers and partners that engage, focus, development and deliver business results. They shared E3 practice and exchanged their opinion through Line Group and Community of Practice session.

From the result of change tracking survey in November 2015 after completed the training, overall rating by direct subordinates and colleagues on leadership behaviors demonstrated is very positively by 74%, especially 79% said that “I feel comfortable in sharing my thoughts and opinions with this person”.

Leadership & Management Training with Solvay Corporate University :

Our nominated talents attended Leadership & Management training of Solvay Corporate University in following program:

1) Management Development Series (MDS) Program :

10-days program helps to support the transition from individual contributor to a people management role by developing core management skills in alignment with Group’s requirements.

2) Adaptive Leadership :

3-days program helps our people improve the interpersonal/ leadership and feedback skills in order to better influence, lead and enhance performance of oneself and a team.

3) International Management Seminar :

5-days program engages our people in strategic challenges of the Group in a way that develops cross business perspectives, proactive cooperation and networks. This course allowed our people to work in virtual teams on key business challenges with challenge and support from a facilitator and a senior leader.

4) Transformational Leadership Program :

3-days program have a business focus and will require the cohorts to work on live business projects which will have a transformational impact within their business areas. This program was defined to equip leaders to transform their other organizations and engage their people in the process of cultural change. The program focuses on two distinct applications of transformational leadership skills:

- Horizontal transformation - improve collaboration across the organization, in support of identified business objectives and enhancing end delivery to the customer
- Vertical leadership - develop a culture of empowerment and accountability by helping the Senior Managers prepare to cascade this program to their direct reports, and the broader organization.

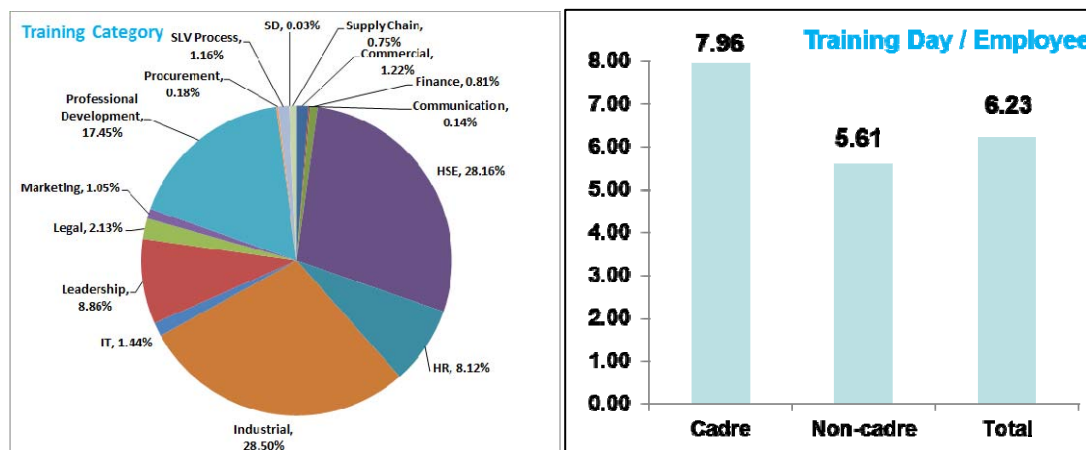
Behaviors for High Performance Teams - Observing Behavioral Competencies Program

In 2013, the Company implemented a new set of behavioral competencies in line with the Management Model and People Model. The behavioral competencies are assessed in the Performance, Development and Career Review (PDCR) as a lever for achieving high performance and effective development plans.

In order to enable employees and managers to understand and apply the 12 behavioral competencies for selection and development of people, The Observing Behavioral Competencies workshop (OBC) was organized to all Managers to help them develop their ability to identify competencies correctly, give fact-based feedback, and build relevant development plans.

The Behavioral Event Interview (BEI) :

In order to enable our Managers to understand the link of these competencies with the selection interviews to get the right people with required competencies, the Behavioral Event Interview technique is equipped to Managers to develop their abilities to identify behavioral characteristics displayed by the interviewee. BEI technique helps Managers focus on actual thoughts and actions from the past of interviewee and on what is most important for success, and uncover what people really do in their day-to-day behavior.



4) Career Management and Development

The Career management process aims to provide development opportunities to ensure that every employee reaches his/her highest potential and develop skills for the future by focusing on individual development needs and career aspirations from Performance, Development and Career Review.

“Employee Mobility” and “Development & Succession Planning” policy are the crucial HR tools of career management and talent development.

Employee Mobility :

First and foremost, the Company is committed to the ongoing development of our employees and as a part of this to providing interesting and enriching career opportunities. We believe it is in the best long-term interest of both the Company and our people, to ensure that there are open channels to communicate about job opportunities to our employees and to provide clear rules that are applicable globally for how to apply to these opportunities.

We also believes that the movement of our employees across Business, Functions, and Locations is a key to promoting our culture, sharing of management practices, and ensuring the necessary transfer of scientific, technical and commercial expertise across the organization. All of this contributes to a motivated workforce, the sustainability of the Company and the employability of our people throughout their careers.

In year 2015, the movements of our employees within the Group totally 7 persons across Business and Function.

Development and Succession Planning

The Development and Succession Planning deployment aims to ensure the Company has the right people at the right place to achieve its growth strategy and performance.

Development and Succession Planning is a management meeting where topics

related to Succession Planning, Talent identification and Career Development are discussed, and where decisions are prepared and made collectively taking into account employees' career aspirations and abilities.

The career evolution of each talent is discussed in the DSP process at least once a year. And each talent receives feedback about next career steps and development plan based on the DSP outcome.

In year 2015, DSP meeting was conducted between HR and Department Managers in all Functions across the Company. The development needs identified during the DSP meeting will be discussed with employees in Performance, Development and Career review in order to define the individual development plan.

5) Compensation Policy - Reward for Performance

Compensation policy is based on 4 guiding principles :



The employees' Base Salary is annually reviewed to reward the job performance assesses in Performance, Development and Career Review (PDCR). Annual salary increase is linked to market movement to ensure market competitiveness.

Short-term incentive (bonus) policy applies to all employees and is designed to:

- Implement a high performing culture to contribute to the Company success
- Reward individual and collective performance
- Measure progresses on sustainable development targets

Individual Bonus is based on the achievement of individual objectives set as a part of Performance, Development and Career Review process (PDCR), and the Collective Bonus is based on the realization of economic and sustainable development KPI's.

The bonus also links the performance of employees to the economic performance of the company where they have a direct impact and contribution. This will foster empowerment, collective engagement at the company level, and reward performance closer to the reality of the contribution of each.

6) Employee Survey 2015 - Your Opinion Matters

Vinythai values the individual voices of its employees. Employee Survey 2015 was conducted in order to listen to individual reflective feedback.

In this survey, we want to measure the “Employee Engagement” as well as the factors influencing this Engagement. ‘Engagement’ is a term used to describe how we measure how people feel about the organization they work with and, as a result, the extent to which they will commit their time and energy to make it a success.

The overall participation rate of **98%** was highly appreciative, which means that the results are genuinely meaningful and represent the ‘**true voice of the employees**’.

The results of 2015 Employee Survey shows overview top three favorable dimensions that we are good at :-

- **Relentless Excellence (75%)** showing we strive to continuously improve in all aspects of work and a high level of performance is expected of people in our team
- **Customer Focus (72%)** showing the impact to our customers (internal and external) will be considered as a priority when making decisions
- **Innovation (71%)** showing we are constantly seeking to develop and apply new ideas, products, technologies, etc. in order to better serve all our stakeholders (internal and external)
- Our **Safety and Environment** are important to all of us, a point strongly reinforced by the results of this survey. Most employees positively report that we are a socially and environmentally responsible GBU (**86%**) and we never compromise our safety in order to meet other targets (**85%**). On top of that, most employees perceive that sustainable development is an important part of Company’s strategy (**82%**).

Nevertheless, the 2015 Solvay Employee Survey shows we will be continuing to work on improvement in term of ‘**Engagement**’, the results show that we are moderately engaged decreasing from the last survey in year 2011.

We really appreciate the discriminating and measured responses that employees made - these help us identify some very specific areas for improvement.

9. Corporate Governance

9.1 Corporate Governance Policy

The Board of Directors realize the importance of good corporate governance principles and lays strong emphasis on implementation and practices, believing that implanting good governance systems increases the Company's competitiveness and ensures sustained business growth while enhancing confidence in the Company among its shareholders, investors and other stakeholders. The Board of Directors, the Company's management and employees, rigorously adhere to good corporate governance principles and strictly comply with applicable laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). With an aim to continually improve corporate governance practices, the Company's management actively takes into account the recommendations of the SEC, the SET, and the Thai Institute of Directors Association (IOD). The Company creates and maintains awareness of good corporate governance practices and business Conduct among its management and staff at all levels.

Given Vinythai's commitment to closely adhering to the principles of good corporate governance, in 2015, the Company received "Very Good" corporate governance recognition level evaluated by the Thai IOD. In the evaluation, Vinythai achieved the "Excellent" level for its recognition in the "Right of Shareholders", "Equitable Treatment of Shareholders" and "Disclosure and Transparency", the "Very good" level in "Role of Stakeholders", and the "Good" level in "Board Responsibilities". In the evaluation of the Company's arrangement of its Annual General Meeting of Shareholders 2015 by the Thai Investors Association, Vinythai ranked on the list of "Excellent" listed companies.

To ensure that Vinythai's businesses are conducted responsibly, ethically, fairly, transparently and accountably, with a clear focus on the creation of utmost benefits for the shareholders and stakeholders, towards mutual trust and sustainable growth, the Board of Directors has established the good corporate governance policy for all directors, managers, and employees to observe in their discharge of duties as follows:

(1) The Board of Directors shall observe the international guidelines and consistently improve the Company's corporate governance practices in accordance with these international standards in matters relating to consideration of the rights of shareholders, the equitable treatment of shareholders, the responsibilities to stakeholders, the disclosure of information and transparency, and the responsibilities of the Board of Directors.

(2) The Board of Directors, the managers and all employees shall be determined in their observance of the core of good corporate governance principles. Additionally, they need to ensure strict compliance with the laws and relevant regulations in all countries in which the company invests.

(3) The Board of Directors shall arrange for an administrative structure with fair relationship between the Board of Directors, the managers and the shareholders. They shall play a vital role in the determination of visions, strategies, policies and key plans. They shall ensure that a performance monitoring and evaluation system is in place, that risks are efficiently managed, that they are independent, and that they are responsible for their discharge of duties in accordance with the good corporate governance principles.

Moreover, the Company has clearly demonstrated, its will to conduct business in accordance with the principles of Corporate Governance and Code of Conduct of the Company as follows:

In 2014, the Company

- Appointed Senior Legal and Compliance Manager as the Corporate Governance Officer and Head of Compliance Unit to ensure that the Company's activities are aligned with rules, regulations and applicable laws in order to mitigate compliance risk.
- Delivered the Charter of Corporate Governance and Code of Conduct to directors, management and employees for acknowledgment and practice.
- Communicated and published the Charter of Corporate Governance and Code of Conduct through the company's website:
<http://www.vinythai.co.th/en/binaries/VNT-CG-Handbook-EN-040814-195018.pdf>
- Provided training to all employees to create awareness on policies and ensure compliance with laws and regulations.
- Provided activities to communicate to all employees for better understanding about the practices of Corporate Governance and Code of Conduct.

In 2015

- The Company has studied and conducted a self-assessment for countering Bribery, as recommended by the Thai Institute of Directors in order to join the Declaration of Intent in view of establishing the Private Sector Collective Action Coalition Against Corruption (CAC) in October 2015.
- The Company has joined the Declaration of Intent in view of establishing Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Chairman of the Board of Directors executed the said Declaration of Intent on 19 November 2015. The Chairman of the Private Sector Collective Action Coalition against Corruption Council signed for the acknowledgement of the Declaration of Intention of the Company on 2 December 2015.
- After the Declaration of Intent, the Company has changed its Corporate Governance Policy and Audit Committee Charter expanding to the anti-corruption policies. In addition, the Board of Directors approved to amend the Corporate Governance Policy and Audit Committee Charter.
- The Company used various communication channels (TV, Vinythai Today

Magazine, email) to communicate and explain to employees the Anti-Corruption Policy of the Company.

9.2 Committees

The Board of Directors has set up three committees to strengthen good corporate governance and support its administration as follows:

(1) The Business Advisory Committee

The Board of Directors Meeting No.3/2013, held on 29 August 2013 resolved to create a new “**Business Advisory Committee**” to supersede Executive Committee and expand the advisory roles on Strategic and Risk Management.

As of December 2015, the Business Advisory Committee comprises the following members:

- | | |
|-----------------------------|-------------|
| 1. Mrs. Puntip Oungpasuk | Chairperson |
| 2. Mr. Vincenzo Morici | Member |
| 3. Mr. Bruno Van der Wielen | Member |

Mrs.Jamjuree Sirovetnukul, Vice President Finance and Accounting served as Secretary to the Business Advisory Committee.

The Business Advisory Committee has the following authority and duties:

Business Roles

- Monitor the effective operation of the Company according to the directions of the Board of Directors and the Company’s targets.
- Screen issues to be presented to the Board of Directors for consideration.
- Challenge short- and long-term action plans, investment and strategic plans developed to achieve the Company’s objectives and goals.
- Assess and advise the corporate target achievements and identify the business risks that will impact corporate value
- Advise financial management in order to reduce the financial burden and maintain a strong financial structure.
- Orient public relations plan that develops a positive and sustainable image
- Recommend the salary structure and other benefits to employees provided by the Company.
- Perform any other acts as assigned by the Company’s Board of Directors.

Risk Management Roles

- Prescribe policies and suggest measures for the appropriate and efficient management of risks associated with the business conduct of the Company.
- Follow up on and evaluate the performance in accordance with the organization-wide risk management framework.
- Define material risks and risk tolerance of the Company
- Exercise the oversight of management’s responsibilities, and review the risk profile of the Company to ensure that risk is not higher than the determined risk tolerance.

- Review issues raised by the Internal Audit or Audit Committee that impact the risk management framework.
- Ensure that the risk awareness culture is pervasive throughout the Company.
- Engage in any other duty as assigned by the Board of Directors.

(2) The Audit Committee

The Board of Directors Meeting no. 6/1999 held on 15 November 1999 appointed the “**Audit Committee**” whose qualifications comply with the SEC rules which defines that the Audit Committee shall comprise at least three independent directors, and at least one of them must have sufficient knowledge understanding or experience in the field of accounting or finance.

As of December 2015, the Audit Committee comprises the following members:

- | | |
|--|----------|
| 1. Mr. Pipop Pruecksamars | Chairman |
| 2. Mr. Pote Videtyontrakich | Member |
| 3. Assoc.Prof. Dr. Danuja Kunpanitchakit | Member |

Dr. Supachat Chairatanathavorn, Internal Audit Department Manager served as Secretary to the Audit Committee.

All members of the committee are evidently knowledgeable and competent persons with appropriate experience to perform their duties. **Mr. Pote Videtyontrakich and Assoc.Prof. Dr. Danuja Kunpanitchakit**, committee members possess adequate expertise and experience to review the reliability and creditability of the financial statements. Details of their qualifications and experience are disclosed in the Company’s Annual Report and Form 56-1.

The Audit Committee is in charge of the following duties:

- Review financial statements of the Company in order to ensure the accuracy, creditability, adequate disclosure, and compliance with the accounting standards and other relevant laws and standards.
- Consider, select and nominate an independent person to be the Company’s external auditor in order to ensure no conflicts of interest exist that might interfere with the auditor’s ability to issue its opinion on the financial statements. The Audit Committee also proposes the annual audit fee to the Board of Directors for consideration.
- Review to ensure that internal control systems of the Company are adequate, suitable and efficient
- Review to ensure that the risk management systems of the Company are appropriate including corruption risk assessment and measures
- Review the internal procedures concerning incident reports and complaints
- Ensure that the internal audit systems are adequate, efficient, and appropriate for the Company
- Review and determine the independence of Internal Audit Department, as well as approve the appointment, transfer and dismissal of the chief of Internal Audit Department or any other unit in charge of an internal audit, including expressing an opinion on qualifications and performance of the chief of Internal Audit Department.
- Review and evaluate the annual internal audit plan in order to ensure

- consistency with the nature and the level of risks faced by the Company
- Review the findings together with internal auditors
- Review and approve Internal Audit Department Charter
- Promote understanding among the Audit Committee, the Management, the Internal Audit Department and External Auditor in order to ensure a unified direction
- Review the Company's compliance with the laws on Securities and Exchange Act, Stock Exchange of Thailand's regulations and other laws relating to the business of the Company.
- Prepare the Audit Committee's Report which shall consist of information and activities carried out during the year according to duties and responsibilities required by the Stock Exchange of Thailand. The report must be signed by the Chairman of the Audit Committee, and disclosed in the Company's annual report
- Review connected transactions or transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company
- Seek or acquire advice of an independent, third party consulting resources and expertise deemed necessary to perform their responsibilities at the expense of the Company
- Review the Audit Committee Charter at least annually and propose any changes to the Board of Directors for approval
- Engage in any other duty as assigned by the Board of Directors at the approval of the Audit Committee

(3) The Nomination and Remuneration Committee

The Board of Directors Meeting No. 3/2013, held on 29 August 2013 resolved to extend the roles of the "Nomination and Remuneration Committee" to also consider and recommend for the development of Senior Management (Vice President Level up).

As of December 2015, the Committee comprises of existing members as follows:

- | | |
|----------------------------------|----------|
| 1. Mr. Vincent De Cuyper | Chairman |
| 2. Mr. Supattanapong Punmeechaow | Member |
| 3. Mr. Pipop Pruecksamars | Member |

Mr.Sompot Cheeranorawanich, Vice President Corporate Affairs and Communications - Company Secretary served as Secretary to the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is authorized to perform the following duties:

- Select individuals worthy of nomination as new Directors or Chief Executive Officer or Managing Director using structured and transparent screening and nomination criteria for subsequent nomination to the Board of Directors and / or the Annual General Meeting for their approval.
- Determine remuneration for Directors, Chief Executive Officer or Managing Director and Senior Management (Vice President Level up) by prescribing fair and reasonable criteria or procedures and proposing them to the Board of Directors and / or the Annual General Meeting for their approval.
- Consider and recommend for senior management development (Vice President

Level up).

- Engage in any other duty as assigned by the Board of Directors.

9.3 Nomination and appointment of Directors and Top Management

9.3.1 Independent Directors

The Company's independent directors possess qualifications as prescribed under the SEC regulations as follows:

- 1) holding shares not exceeding one per cent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
- 2) neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of application filing with the Office;
- 3) not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary;
- 4) not having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non-independent director or executive of any company having business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the date of application filing with the Office;
- 5) neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;
- 6) neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;
- 7) not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholders;
- 8) not having any characteristics which make him incapable of expressing independent opinions with regard to the Company's business affairs.

9.3.2 Directors and Top Management

The Nomination and Remuneration Committee is responsible for considering candidates deserve a nomination as new directors, Chief Executive Officer or Managing Director, including consideration and advising on the development of various aspects of the Vice President level and above. The Rules and Procedures for the Nomination is established the best criteria and transparency to be presented to the Board of Directors and/or the shareholders' meeting for approval.

Rules and Procedures for the Nomination of Director(s), Independent Director(s) and Audit Committee Member(s)

1. In case of any vacancy for a Director, Independent Director or Audit Committee Member, the Nomination and Remuneration Committee shall nominate a qualified candidate who does not possess any prohibited characteristics to serve as Director, Independent Director or Audit Committee Member and propose to the Board of Directors' Meeting for consideration and approval of the appointment.
2. Any director has the right to propose the name of a qualified candidate to the Nomination and Remuneration Committee within the timeframe for consideration, including preliminary qualification check, before proposing such person to the Board of Directors' Meeting for consideration and approval of appointment.
3. Any major shareholder has the right to propose the name of a qualified candidate to the Nomination and Remuneration Committee within the allotted timeframe for consideration, including preliminary qualification check, before proposing the person to the Board of Directors' Meeting for consideration and approval of appointment.
4. The Nomination and Remuneration Committee will announce the timeframe for proposing the name of a qualified candidate who does not possess any prohibited characteristics to serve as a Director, Independent Director or Audit Committee Member.
5. Any time the Nomination and Remuneration Committee identifies a qualified candidate or candidates not possessing any prohibited characteristics, to serve as a Director, Independent Director or Audit Committee Member, the Nomination and Remuneration Committee shall forward the resume(s) of the proposed qualified candidate(s) to the Company Secretary to conduct a preliminary check of the candidate(s) qualifications.
6. Once the Company Secretary has checked the proposed candidate(s) qualifications, the Company Secretary will prepare a summary report and propose the candidate to the Nomination and Remuneration Committee for its consideration and resolution. If it agrees with the proposal, the Nomination and Remuneration Committee will propose the candidate for consideration and approval by the Board of Directors' Meeting.
7. Once the Board of Directors' Meeting has approved the appointment, the Company Secretary will be responsible for disclosure to or registration with the Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC), Ministry of Commerce and/or any related organizations. The Company Secretary will compose a profile of the director in compliance with the relevant rules and/or laws.

8. In case of any vacancies for Directors, Independent Directors or Audit Committee Members arising otherwise than by rotation, and the remaining term of office of such Directors, Independent Directors and Audit Committee Members being less than two months, the Board of Directors' Meeting will propose replacement candidate(s) to the Shareholders' Meeting for consideration and approval.

Once the Shareholders' Meeting has approved the replacement, the Company Secretary will be responsible for disclosure to or registration with the SET, SEC, Ministry of Commerce and/or any related organizations. The Company Secretary will be responsible for composing a profile of the director in compliance with the relevant rules and/or laws.

The Board of Directors resolved to propose the shareholders' meeting to elect new directors in place of those to be retired by rotation and amend the authority of directors (in case there is a change in directorship). The shareholders' meeting will resolve by a simple majority vote, in accordance with the following rules and methods:

1. Each shareholder shall have votes equal to the number of shares held.
2. Each shareholder may exercise all the votes he has under item 1 to elect one or several persons as directors, but may not allot his votes to any person at any number.
3. The persons receiving the highest number of votes, in their respective order of the votes, shall be elected as directors according to the number of directors that the Company may have or the number that are to be elected at such meeting. Where the votes cast for candidates in descending order are tied, which would cause the number of directors that the Company may have or that are to be elected at such a meeting to be exceeded, the Chairman of that meeting shall have a casting vote.

9.4 Good Corporate Governance of its subsidiaries and associates

Nomination and appointment for a director of the subsidiaries and the associates must be approved by the Company's Board of Directors. Such director is responsible to act at the optimum interest of the Company. Moreover, prior to proceeding of any important issue(s) of the subsidiaries, it should get approval from the Company's Board of Directors.

In addition, the Vinythai Board has directed several important policies of the subsidiaries such as Management policies, Financial Accounting Policies Management policy on Safety, Health and Environment & CSR policy, HR management policies. It also ensures that those policies are consistent with the requirements and regulations of the Securities and Exchange Commission of Thailand and related laws.

9.5 Control on the use of Internal Information

Considering the supervision of the usage of inside information, the Company has established control measures related to the use of internal information and stipulated the measures in the Corporate Governance Charter and Code of Conduct.

In addition, the Company has established policy about the protection of company confidential information. A measure of protection of the Company's confidential information has been stipulated as a standing instruction for all employees at all level to comply with. Failure to control and protect the Company's confidential information is breach of employment duties, and grounds for disciplinary action, up to, and including termination of employment. Disclosure or use of Company confidential information without authorization is illegal and may subject an employee to civil or criminal liability.

To ensure the security of the information, the Company has put in place and developed the Information Technology system to secure the accessibility to the Company's information. As such, the IT system prevents the accessibility to the Company's confidential and important information from external parties, and gives the rights for accessibility to confidential and important information properly classified for units in line with their works and responsibilities.

9.6 Audit Fee

(1) Audit Fee

The Company and all subsidiaries paid the audit fee to the auditor in the past fiscal year in the amount of THB 4,175,000.-

(2) Non-Audit Fee

The Company and all subsidiaries paid the non-audit fee for corporate income tax review to the auditor in the past fiscal year in the amount of THB 200,000.-

9.7 Compliance with good corporate governance principles in other matters

With the aim of further strengthening its governance systems, the Company has continued to rigorously implement action plans that reinforce its compliance with the principles of good corporate governance for the listed companies.

1. Rights of Shareholders

The Company respects the right of shareholders equally and ensures that all shareholders are fully entitled to exercise their fundamental rights. These include: the rights to buy, sell, or transfer shares, ownership rights to participate in shareholders' meeting; voting rights to elect board members and approve directors' remuneration; the right to receive dividends; the right to express opinions freely, etc. The Company also regularly discloses its information through the SET channel, publications and its website, including organizing activities for shareholders such as invitation to plant visit and coral cultivation using PVC pipes. The Company enhances the exercise of rights and does not infringe upon or curtail those rights. Shareholders are actively encouraged to exercise their rights, as follows:

Prior to the Annual General Meeting of Shareholders (AGM)

- Following the Board of Directors' resolution dated February 12, 2015 to call an Annual Ordinary General Meeting of Shareholders, the Company, on the same day, announced a meeting schedule along with the agenda through the SET's

communication channels and the Company's website. In 2015, the Annual Ordinary General Meeting of Shareholders was duly held on April 30, 2015. Shareholders presenting either in person or by proxy accounted for 89.28 % of the total number of paid-up capital of 1,185,193,444 shares.

- In 2015, prior to the shareholders' meeting, the Company prepared a notice to call the shareholders' meeting both in Thai and English specifying the date, time and venue of the meeting, along with an agenda including the respective opinion of the Board of Directors pertaining to each item:
 - Agenda items considered at the meeting included: the Company's annual operating results and dividend payment; the appointment of an auditor and consideration of the auditing fees; appointment of new directors in place of those to be retired by rotation; and remuneration for the Board of Directors.
 - The notice of the shareholders' meeting and the agenda included significant and sufficient detailed information; and were distributed together with: a map clearly indicating the meeting venue; a barcode registration form; a copy of the Company's most recent annual report; a copy of the minutes of the previous shareholders' meeting; a copy of the Company's Articles of Association relating to the shareholders' meeting; the names of directors to be retired by rotation and those proposed to be re-appointed for another term; proxy forms containing name and details of independent director, appointed as proxy, and details about the credentials each shareholder needs to bring to the meeting.
- Concerning director nominations, the Company specified type of directors proposed for approval and provided their relevant personal records, including shareholding (if any), meetings attendance record and years of service with the Company. Particularly for the nomination of independent director, the Company pays significant attention to follow the SEC regulation.
- The Company designated Thailand Securities Depository Co., Ltd, its share registrar, to distribute the notice of shareholders' meeting and relevant documents as above-mentioned, to shareholders. The distribution took place 22 days in advance of the meeting day in order to allow shareholders sufficient time to consider proposed meeting agenda items. The Company disclosed the notice of shareholders' meeting and accompanying documents on its website 38 days ahead of the meeting and communicated such disclosure through the SET channels. The Company also publicized the notice to call a shareholders' meeting in Thai daily newspapers for 3 consecutive days prior to the meeting.
- To enhance the rights of shareholders, the Company allowed shareholders to propose agenda items prior to the meeting day. The Company notified shareholders accordingly through the SET channels and the Company's website including clear explanation of criteria and consideration procedures, as well as a form for proposing agenda made available in the Company's website. Shareholders were allowed to exercise such rights from 27 November 2014 to 30 January 2015. Judgment and consideration of the agenda proposed will be deliberated by the Board of Directors. However, no agenda item was proposed by any shareholder for consideration prior to the 2015 shareholders' meeting. For the upcoming 2015 shareholders' meeting, the Company allowed shareholders to exercise such right from 19 November 2015 to 30 January 2016. The notification was posted on the Company's website.

- Prior to the shareholders' meeting, the Company also provided its shareholders with the opportunity to send their questions concerning the agenda to the Company's website (www.vinythai.co.th/feedback). Notification of this opportunity was posted through the applicable SET channel.

On the AGM Day

- For the convenience of shareholders on the meeting day, the Company implemented a barcode system for registration, recording attendance of the participants, and vote-counting. The barcode system significantly accelerated these processes and enhanced the convenience of the shareholders.
- Upon registration, the Company also provided shareholders with ballots for each agenda items and encouraged them to cast their votes, especially those wishing to vote against or abstain on any item.
- The shareholders' meeting starts when there is a quorum, based on both shareholder attendance and proxies. Prior to the meeting, the Company introduced its directors, management, the Company's auditor, legal advisor, and explained the procedures for voting, counting of votes and result of vote counting. Resolutions of the meeting are passed by a vote of the attending shareholders and proxies on the basis of 1 share 1 vote. Procedures for voting and counting of votes are as follows:
 - 1) A shareholder may vote in favor of, against, or abstain from voting for each agenda item, in the ballot received upon registration.
 - 2) When the Chairman requests the meeting to put a vote to any resolution to, the Chairman will first ask the meeting whether there would be an objection from any shareholders to the proposed resolution. If there is no objection (in which case no ballot will be used), it shall be deemed that the meeting passes an unanimous resolution approving what has been proposed. The Chairman will then state that the meeting passes an unanimous resolution for that agenda item.
 - 3) If a shareholder votes against or abstains from voting on any agenda item, the Chairman will request him or her to mark the ballot and raise his or her hand for the official to collect the ballot.
 - 4) Only the votes cast by shareholders voting against or abstaining shall be counted. The votes of disagreement or abstention shall be deducted from all the votes of those attending the meeting, and the remaining votes shall be deemed to have agreed with the proposal for the relevant agenda item.
 - 5) The voting method for the agenda of appointment of directors will be on a person by person basis. The ballots will be collected from the shareholders for the vote cast for each director separately, whether for, against or abstain from voting.
 - 6) Where a shareholder has appointed a proxy and has casted his or her votes in the instrument appointing the proxy, the votes shall be counted as marked by the shareholder. If the shareholder does not indicate his intention, and the proxy does not vote against, such shareholder shall be deemed to vote for that resolution.

With due transparency, the Company announces the result of the vote on each agenda item at the meeting, enumerating the votes for and against and abstentions. The result of each vote is displayed together with the percentage of

affirmative votes out of the total number of shares held by the shareholders present.

- The Board members participating in the meeting included the Chairman of the Board, the Vice Chairman of the Board, the Managing Director, Chairman of the Audit Committee, Chairperson of the Business Advisory Committee, Independent Director and other Board members totaling 10 persons. The Chairman of the Board of Directors acted as chairman of the meeting. In addition, the Company's auditor and concerned Management were present to answer shareholders' inquiries and provide any clarifications required. To facilitate the shareholders' understanding, a professional interpreter was provided to help translating messages and information discussed in the meeting in Thai Language. The Chairman of the meeting allowed adequate time for the meeting to proceed and equal opportunities for all shareholders to examine the Company's operations. To ensure that shareholders have sufficient information, they were encouraged to express their opinions, make recommendations and raise questions on agenda items before casting votes. In addition, after the meeting adjourned, directors, management, and the shareholders informally discussed relevant matters and exchanged views.
- Shareholders are permitted to register their attendance and exercise the right to vote on still pending agenda items after the meeting starts.
- The Company conducted the shareholders' meeting in accordance with the sequence of agenda items as specified in the notice of shareholders' meeting. When conducting the meeting, the Company neither switched the agenda nor added any items to the agenda specified in the notice of shareholders' meeting.
- The Company distributed ballots to the shareholders to vote against or abstain from voting on any agenda item. Concerning the election of directors, the Company allowed shareholders to cast separate votes for individual directors whether for, against or abstain from voting. Lawyers from Chandler and Thong-Ek Law Office Limited also attended the meeting to oversee proceedings, and assure transparency with respect to ballots and vote counts and compliance with relevant laws and regulations and the Company's Articles of Association.

After the AGM Day

- The Company notified the resolutions of the Shareholders Meeting after the Shareholders Meeting through SET Portal. The resolution stated the results of the vote and the voting results on each agenda.
- All significant inquiries were recorded in the minutes of the meetings, together with attendance of directors, key issues discussed, Management responses and vote counts on each agenda item where votes were taken.
- The meeting minutes were prepared accurately and in their entirety, both in Thai and English. They were submitted to the SET within 14 days after the date of shareholders' meetings, and posted on the Company's website for shareholders to examine without having to wait until the next shareholders' meeting. In addition, to ensure the transparency, the meetings were videotaped by the Company with copies available to shareholders on request.

The Company's management is fully cognizant of how an effective shareholders' meeting is constituted. As such, it continually promotes and supports the rights of

shareholders prior to, during and after the shareholders' meeting in accordance with the Annual General Meeting (AGM) Checklist initiated by the SEC, with joint support by Thai Investors Association. As a further indication of the Company's commitment to shareholder rights, the management reviewed the assessment findings of the AGM Checklist and find ways to correct areas where the need for improvement was indicated.

2. Equitable Treatment of Shareholders

The Company provides equitable treatment to all shareholders. The shareholders' meetings are conducted in strict compliance with the applicable legal framework, including rules and regulations of the SET, the SEC, and the Company's Articles of Association. This applies to every aspect of arranging and conducting meetings, from sending out invitations to distributing meeting documents and communicating meeting agenda to all concerned. Meeting procedures and submissions of reports is in full compliance with the SET and the SEC regulations. Shareholders can appraise themselves of the Company's Articles of Association by accessing through the Company's website.

The Company values and treats all shareholders fairly through the following actions.

- The Company fully facilitates the attendance of shareholders at every shareholders' meeting by organizing the meeting according to a convenient schedule, at a convenient time and at a convenient venue.
- The Company provides shareholders with the option of appointing a proxy to attend the shareholders' meeting on their behalf. Any shareholder who is unable to attend the meeting also has the option of delegating their votes to an independent director. In order to facilitate the shareholders' authorization of a proxy according to their wishes, proxy forms are provided in various forms and distributed to the shareholders including the proxy in the format that the shareholders can specify the voting direction for each agenda. In the 2015 Annual Ordinary General Meeting of Shareholders, shareholders representing 2,141,100 shares assigned proxy rights to the independent director.
- Considering the supervision of the utilization of inside information, as stipulated in its Code of Conduct, the Company practices effective safeguards against the abuse of inside information, including internal controls and monitoring systems tailored to each business unit and scenario. The Company prohibits executives or concerned departments who receive inside information from disclosing corporate data to the public or outside parties and requires them not to misuse their positions and confidential information to which they are privy for their own advantage. The employees are prohibited from utilizing the Company information or news which has not been disclosed to the public and may be material to the Company share price, with the purpose of seeking profit or benefitting from trading the Company's stock, whether directly or indirectly. Strict implementation of these preventive measures has resulted in no insider trading violations arising.
- The Board of Directors specified that Board members and Management must disclose any changes in their securities holdings to the SEC in accordance with Section 59 of the Securities and Exchange Act B.E. 2535. In case of purchase,

sale, or transfer of securities, Board members and Management shall report changes in their applicable securities holding to the SEC and the SET. In addition, any changes in directors' shareholding shall be reported to the Board of Directors' meetings. The Board of Directors and Management shall submit one copy of the securities disclosure to the Company for record.

- The Company disclosed complete information about the shareholding of the Company's directors and management as defined by the SEC regulation, including their spouse and minor children (if any) in the annual report.
- Any director or management, who may have a vested interest in any transaction or matter directly affecting the Company, should not participate in the decision making process on such issue.

3. Role of Stakeholders

The Board of Directors has fully appreciated the value of the support of all groups of stakeholders, recognizing that they all contribute to the Company's competitiveness and corporate profits. Thus, the Corporate Governance Charter approved by the Board of Directors promotes practices towards each of various groups of stakeholders. Moreover, the Company's Code of Conduct also includes practices toward shareholders, customers, employees, and business partners, which the management and all employees shall follow so as to uphold consistent standard of conduct.

As it is understood that the participation of stakeholders can have a positive effect on the Company on an on-going basis, considerable effort is made to safeguard the interests of each group as follows:

Shareholders

Vinythai drives the sustainable growth of the Company and creates continuous profits by conducting business with care and transparency, so as to generate competitive, long-term value for shareholders.

Board of Directors and Management

The Company's Board of Directors and Management are aware of their rights, exercise their duties within the frameworks and models defined by the Company, and apply the rules of equity and fairness of all stakeholders.

Employees

The Company realizes the value of every employee and enables its employees to have pride in the organization by providing working environments designed to maximize participation and opportunities for career advancement. The Company encourages employees to develop their ability to thoroughly and continually create value and maintain business excellence by:

- Offering equal employment opportunity, respect for human rights and respect employee's right, and developing and fully realizing employees' potential in performing their tasks and duties. The Company also implements equitable employment conditions and maintains a safe and conducive working environment. A welfare committee comprising representatives from the management and employees monitors and reviews employee benefits to ensure the employees welfare is adequate and secures for them the parity with the industry.

- Providing training and employee development opportunities at all levels. Employees are encouraged to develop thorough knowledge and competencies so as to continuously upgrade both the ability of the organization and its capacity in each work area.
- Providing seminars and trainings for all employee levels in order to gain the knowledge and understanding in respect to the environment including creation of the awareness in protection of natural resources and environment within the community and the public.
- Promoting two-way communications within the whole Company and making employees proud to work for the organization.
- Providing suitable welfare for all levels of employees.
- Placing at the top of all priorities, hygiene, safety and environment in the workplace.

Customers

The Company is resolved to deal promptly with customer claims. Moreover, it strives to achieve high customer satisfaction, promotes sound relations based on respect for customer interests and is committed to continually developing products and services that add value to the customer. The Company takes full responsibility for consistently providing good-quality products and services at reasonable prices. The Company also provides comprehensive and accurate information concerning its products and services in conjunction with professional advice on product selection and utilization. Moreover, the Company actively consults with customers to find the best ways to mitigate any potential harmful impacts from utilization of its products and jointly develops products with customers that optimize their business growth while safeguarding public health and the environment. Also with the objective of maintaining sustainable relationships with its customers, the Company regularly organizes Customer Relationship Management (CRM) activities and conducts customer satisfaction surveys.

Creditors

The Company treats all creditors equally and is fully cognizant of its accountability to creditors and its obligation to ensure that its conduct strictly adheres to contractual commitments and financial obligations. To ensure that all creditors are kept up-to-date with relevant financial information, the Company submits its financial statement to all creditors on a quarterly and annual basis. Furthermore, the Company's internal procedures ensure that it is open equally to all creditors to offer competitive pricing and services. In addition, the Company can only accept new credit facilities offered by any financial institution after they are proposed to and approved by resolution of the Board of Directors.

Business Partners

The Company obliges directors, executives and employees involved in leasing, hiring, purchasing or selling property or goods or services of all kinds to act strictly in the Company's best interests based on accurate, actual information that does not mislead lessors, leaseholders, buyers or sellers of assets, products or services with information that is incomplete or insufficiently accurate. Involved executives and employees do not accept gifts or any other remuneration unless it is a traditional practice, in which cases such gifts or remuneration should not be of such high value as to invite censure or prompt special consideration in the future.

Business Alliances

The Company is committed to compliance with agreements made with its business partners in a manner that is mutually beneficial to the overall business.

Competitors

The Company supports and encourages free and fair competition, always behaving in accordance with accepted rules of etiquette and good competition within the framework of the law.

Community, Society and Environment

The Company conducts itself as a good corporate citizen and operates its business in accordance with its well-recognized duties and responsibilities to the community, society and the environment.

In addition, the Company is fully conscious of its responsibilities to the Thai society and societies of host countries, with its prime concern to develop and strengthen communities towards sustainable self-sufficiency resulting in economic prosperity and social harmony throughout the country. The Company encourages its employees to be aware of their social responsibilities in both their work and daily lives, including:

- Creating business practices and implementing activities that are responsible and beneficial to society, both in the short and long term, and focusing on business transactions with trade partners who share common intentions regarding social and environmental responsibility.
- Supporting learning and skills development among youths and the public and promoting awareness of natural resource and environment preservation in communities and Thai society.
- Providing correct information, creating understanding, and listening to problems and information about impacts on surrounding communities with a view to implementing appropriate solutions, all based on the principle of co-existence between the Company's plants and communities for mutual benefit and without conflict.
- Supporting beneficial activities, especially in areas where the Company's businesses are located, taking into consideration suitability and providing sustainable benefits to society and communities.
- Supporting public activities and national development policy for the country's benefit as a whole.
- Considering how to utilize natural resources with minimum impact on society, the environment and quality of life.

Public Sectors

The Company is resolved to fully conform to all relevant laws and regulations without reservation.

Suggestions and / or Complaints

To improve the Company's services, customers, employees and any person can make

recommendations or comments or complaints related to the Company through the following:

- Audit Committee, <http://www.vinythai.co.th/en/contacts/index.html#audit>
- The Company's website or www.vinythai.co.th

4. Disclosure and Transparency

The Company is committed to providing equal treatment to shareholders, financial institutions, securities companies, investors and others who use financial information, with emphasis on open, accurate, complete and timely data that does not discriminate either positively or negatively. However, the Company realizes the need to keep secret certain vital business information, including its operational strategies. Disclosure is governed by the relevant rules and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission of Thailand.

Disclosure of information includes but is not limited to annual disclosures of information (Form 56-1), the Company's annual report (Form 56-2), quarterly reports, any minutes of meeting, news, press releases, letters to shareholders, information on the Company's website, information provided through various media, and interviews with the media and press conferences, etc.

- **Disclose and Transparency**

The Board of Directors is well aware of its responsibility for the integrity of the Company's financial information. As such, the Board maintains effective internal control systems that ensure the accuracy and completeness of the Company's bookkeeping as well as adequacy of measures to safeguard the Company's assets. Recognizing the right of shareholders and investors to receive adequate and reasonable notification of the Company's financial status, the Company prepared the "Responsibility Statement from the Board of Directors on Disclosure of the Financial Report" and presented it both in Thai and in English in a separated item in its Annual Report and Form 56-1. The Board of directors also ensures that the financial information is disclosed completely, correctly and in timely manner in line with the SET's regulations.

To ensure equitable treatment to all stakeholders, in addition to disclosing information as specified in relevant regulations through the SET's channel, the Company also discloses information such as the Company's news, its vision, mission and values, Articles of Associations, corporate governance policy, corporate activities, Board members and sub-committees, and investors news on its website both in Thai and in English. In addition, a list of the Company's current top ten major shareholders is disclosed on its website and is updated on a monthly basis. In this way, shareholders can find information about the Company's major shareholders prior to the shareholders' meeting.

In addition, the Company disclosed the duties of the Board of Directors and committees, including the number of meetings attended by each director. It also disclosed the remuneration policy, type and details with respect to directors and management. Details are shown under the heading of "Management Structure", item "8.4 Remuneration of Directors and Management", sub-item no. "8.4.1 Remuneration (money)" and sub item no. "8.4.2 Remuneration (other)"

- **Policy to report the shareholding and transactions of company shares to Board of Directors**

The Board of Directors specified that Board members and Management must disclose any changes in their securities holdings to the SEC in accordance with Section 59 of the Securities and Exchange Act B.E. 2535. In case of purchase, sale, or transfer of securities, Board members and Management shall report changes in their applicable securities holding to the SEC and the SET. In addition, any changes in directors' shareholding shall be reported to the Board of Directors' meetings. The Board of Directors and Management shall submit one copy of the securities disclosure to the Company for record.

The holding of the Company's shares by the Director and Management as of 31 December 2015 and changes from the past year is as follows:

Common Shares				
Name	Title	No. of Shares 31 December 2014	No. of Shares 31 December 2015	Change
1. Mrs. Puntip Oungpasuk	Director Chairperson of the Business Advisory Committee	84,200 *	84,200 *	None
2. Mr. Sompot Cheeranorawanich	VP Corporate Affairs and Communications- Company Secretary	3,990	3,990	None

*All of these shares held by her spouse, Mr. Piya Oungpasuk

With regard to any issues that might result in a conflict of interest, the Company strictly complies with the SEC and the SET's related regulations on "Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions" while always taking into account the best interests of all stakeholders. Details, counter parties, values, reasons, and necessities for each transaction are all disclosed in the Annual Report and Form 56-1.

- **Investor Relations**

The Company's Vice President Finance and Accounting is in charge of investor relations activities and is required to communicate directly with institutional and individual investors, analysts and concerned government agencies. In year 2015, the Company recorded 5 visits by investors and analysts as follows:

Type of Visit	No. of visits	No. of companies
One-on-One Meeting	3	3
Group Analyst Meeting	2	2

Investors may request any information from the Company at Tel. 0-2229-9100 or Fax. 0-2240-1375, e-mail at Sirovetnukul.Jamjuree@solvay.com or mailing address at Vinythai Public Company Limited, 14th floor, Green Tower, 3656/41 Rama IV Road, Klongtoey, Bangkok 10110

- **Whistleblowing and Whistleblower Protection Measures**

With a view to enhancing the participation of stakeholders in improving the Company's performance to ensure the sustainability, the Company opened communication channel for stakeholders to voice their concern about any crucial case related to the Company's operations or unethical practices via the Audit Committee at the Company's website :

<http://www.vinythai.co.th/en/contacts/index.html#audit>

Where such concerns are raised, the Audit Committee shall arrange an investigation and report the findings to the Board of Directors for consideration, so that the Company can find solution in a timely manner. The rights of any person who communicates such concern should be protected. The Company has duly communicated this information to stakeholders through the SET channel. Since the channel was opened by the Company, no complaint has been reported.

In addition to the above, the Company's website includes details of personnel responsible for each area so that investors, customers, local communities and other stakeholders can communicate recommendations and make enquiries from the Company via the Company's website.

- **Policy for prevention of software copyrights violations**

The company has the policy on prevention of software copyrights violations, the Company also formulated guidelines to which its employees must strictly adhere. The guidelines include abuse of company's computer and IT system, such as, store and/or use illegal software on company's computer. In event of violations of the mentioned policy, an investigation shall be conducted as quickly as possible. An employee found guilty of such conduct is subject to the Company's disciplinary actions.

5. Responsibilities of the Board

Pursuant to the Company's Articles of Association, the Board of Directors shall comprise at least 10 directors, provided that not less than half of the total number of directors must have residence in Thailand. The Board structure consists of accepted knowledgeable, competent persons with various qualifications, skills, experience, and expertise that can provide optimum benefit to the Company and its shareholders. Qualifications and experiences of the Board of Directors are disclosed in the Annual Report and the Form 56-1, which were posted on the Company's website. With respect to the Company's Corporate Governance Charter, the directors may not be directors of more than five listed companies and must notify the Board of Directors of their positions for acknowledgement and approval.

As of 31 December 2015, the Board of Directors comprises 11 directors (See details in Item 8 Management Structure, No.8.1 Board of Directors Structure)

Experience and educational qualifications of the Board of Directors are disclosed in the Attachment 1 - Information of Directors, Management, Empowered Persons, and Company Secretary together with the disclosure of Information of Director's Position in Subsidiary Company.

It is the policy of the Board of Directors that the Chairman and Managing Director should not be the same person. This is to ensure clarity of responsibilities for issuing governance policy and undertaking the Company's management. Although the Chairman of the Board and the Managing Director both represent one of the Company's major shareholders, Solvay Vinyls Holding AG, the current structure of the Company's Board also includes representation of the other major shareholder, PTT Global Chemical Plc., and 4 independent directors. This arrangement creates a balance of power that ensures fair oversight of the Company's administration. Even though, the Chairman is not an independent director, he has performed his duty in good faith, with due diligence and care, in accordance with the Board policy and in the best interests of the Company.

The roles and responsibilities of the Chairman of the Board are different from those of the Managing Director. The Chairman of the Board conducts the Board meeting efficiently by urging all directors to actively participate, raise questions, and provide essential recommendations, leading to decision taken on significant policies pertaining to the Company. The Managing Director reports to the Board of Directors and is authorized to administer, manage, supervise, and execute all acts in connection with the business of the Company in accordance with the policies endorsed by the Board of Directors. The Managing Director takes responsibility for the Company's operating results, controls expenses and capital expenditures limits as approved by the Board of Directors, manages the Company's human resources to ensure a high level of motivation, performance and productivity and delegates authority in accordance with the strategy and performance of the Company, and maintains effective communication with the stakeholders. The Managing Director takes step to ensure that the policies and action plans of the Company are implemented in line with its strategy and to the highest level.

The roles and responsibilities of the Board of Directors and the Management are clearly segregated. The Board of Directors formulates significant policies and oversees the Management's implementation of those policies. The Management shall be responsible for implementing policies formulated by the Board of Directors and ensuring that these are carried out as planned. Managerial authority is channeled through the Management according to clearly specified levels of authority. The Board advises and supports the Management through the Business Advisory Committee. However, the Board does not intervene in routine tasks and business activities under the Management's responsibility.

In compliance with the Securities and Exchange Act (No.4) B.E. 2551, and to be in line with the Principles of Good Corporate Governance for Listed Companies, the Board of Directors resolved to appoint Mr. Sompot Cheeranorawanich, Vice President Corporate Affairs and Communications, to serve as the Company Secretary. His personal record and work experiences are disclosed in the Form 56-1. According to the above-mentioned Act, the Company Secretary is in charge of preparing and maintaining a register of directors, issuing notices calling directors' meeting, taking and issuing minutes of Board of Directors meetings, coordinating and issuing the

Company's annual report, issuing notices calling shareholders' meetings, taking and issuing minutes of shareholders' meeting, including keeping a report on interest filed by a director or executive of the Company.

Roles and Responsibilities of the Board

The Board of directors fully commit to their roles and responsibilities in order to ensure effective discharge of their duties. All members of the Board of Directors exert their utmost efforts to perform their duties in good faith, with due diligence and care, in the best interests of the Company and all stakeholders. Each director shall discharge their responsibilities in good faith in such a way to safeguard and promote the Company's interests. The Board of Directors also conducts its meetings in accordance with its responsibilities to shareholders, including setting targets to secure optimum benefit for shareholder and other stakeholders within legal framework and business conduct. The Board of Directors reviews and approves the company's vision, mission, values and strategy every year. It has initially formulated a written corporate governance policy in 2004 and has implemented it ever since, including promoting compliance among the Board of Directors, Management and employees. Such policy was embraced in the Corporate Governance Charter approved by the Board meeting in May 2012. In addition, the company has improved the Charter on Corporate Governance and Code of Conduct in 2014.

(see the details at :

<http://www.vinythai.co.th/en/binaries/VNT-CG-Handbook-EN-040814-195018.pdf> & http://www.vinythai.co.th/en/binaries/CG_code_of_conduct_handbook_EN-190696.pdf)

The Board of Directors takes overall responsibility for the following:

- 1) Endorse the vision, goals and strategies of the Company, including risk policies, business plans & annual budgets, monitor the Company's operations and approve major investments, takeovers and sales of Company businesses.
- 2) The Board of Directors shall manage and carry on the business of the Company in accordance with the law, the Company's objectives and articles of association and resolutions of shareholders' meetings. Moreover, directors shall do so in good faith and consistent with the best interests of the Company and shareholders.
- 3) Supervise and monitor activities of the Company's management to ensure that their performance is in line with established policy in accordance with good corporate governance and so as to add economic value to the Company and increase wealth for shareholders.
- 4) Monitor the operation of the Company at any time with cognizance of relevant laws and contract terms as they relate to the Company and require management to report its performance and other important matters to each Board of Directors' meeting, thereby effectively improving the Company's operation.
- 5) Provide accounting systems, financial reporting, internal controls and effective and credible internal audits.

- 6) Control and oversee management treatment of all interested parties to ensure that they are ethical and equitable.
- 7) Evaluate the Company's success in order to determine bonuses and rates of annual salary increases within the Group.
- 8) Play a key role in risk management matters so as to establish and maintain guidelines and measures to ensure adequate risk management and regular monitoring.
- 9) Independent directors and other outside directors are prepared to use their discretion in independently considering issues pertaining to strategic management of resources, appointment of directors and setting operational standards, and are ready to challenge the actions of directors and other management figures in cases of conflicting opinions as they affect the equitable treatment of all shareholders.
- 10) If necessary, the Board of Directors shall enlist the services of external professional advisors at the Company's expense.
- 11) Appoint a Company Secretary to assist the Board of Directors with various activities, including Board of Directors' meetings and shareholders' meetings, and regularly advise the Board and the Company on their conduct and correct operations according to laws and relevant regulations. The Company Secretary will also ensure that the Directors and the Company disclose information correctly and transparently.
- 12) Provide provisions pertaining to business Conduct, director Conduct, executive Conduct, and employee Conduct to be implemented in-house.
- 13) Suspend trading at least one month prior to announcements of financial news and for at least three days after announcement of financial statements.
- 14) Report the securities holdings of their spouses and minors to each Board of Directors' meeting and notify the Company without delay in the event of an interest, whether directly or indirectly held, arising in any contract made within the Company's fiscal year, or if holding shares or debentures in the Company and/or the Company's subsidiaries.

To avoid unnecessary problems, the Board of Directors carefully scrutinizes any issues that might result in a conflict of interest. Such issues are acknowledged by the Board of Directors in accordance with the SEC and the SET regulations stipulated for a transaction based on an Arm's Length Basis. The Board of Directors monitors compliance with the regulations regarding criteria, procedures and disclosure of transactions with conflict of interests. The Audit Committee is assigned to review significant related transactions to ensure the transparency and the best interest of the Company. To ensure fairness, directors or management having interests in the

related transaction must not be involved in decisions and approval process.

The Board of Directors assigns the Business Advisory Committee and the Management to arrange and maintain internal control systems and ensure their effectiveness. The Board of Directors also assigns the Audit Committee to ensure that the Company has suitable and efficient internal control and internal audit. Extending from the management down to the operational level, the Company's control system explicitly defines, in writing, the authority and duties of all employees. The Company has clearly defined, in writing, the Management's roles and responsibilities at each level. For the sake of maintaining good control, the Company separates the function of authorization of the transactions from that of book recording and safeguarding of assets. All relevant parties are given a framework, within which they can control utilization of the Company's assets, while the duties of operational staff and inspectors are kept separate. Additionally, a financial control system has been introduced, via the implementation of a financial reporting process for the various levels of management.

The Company has established Internal Audit Department to perform audit-related duties, with the aim of ensuring that the Company's main business and significant financial activities are operated efficiently and in accordance with established guidelines. The department must also ensure that activities are conducted in full conformity with compliance controls and the law. The department oversees constant internal monitoring to ensure improved control measures specific to all events, conditions and variable risks, in addition to report the audit results to the Audit Committee, the Steering Committee, and concerned Management. The internal audit reports state that no significant issues have been found and that all the Company's operations are performed legitimately. The report also states that internal control systems are proper and adequate. It also notes that satisfactory supervision of measures to safeguard assets is carried out, so as to prevent Management and employees from exploiting assets for their own benefit. Additionally, the Internal Audit Department reviews the corporate governance practices based on the principles of good corporate governance outlined by the SET, and provides advice to develop the corporate governance system of the Company to safeguard the interests of all its stakeholders equally.

Vinythai being one of Solvay's affiliates, Solvay sends its own internal audit team to Vinythai at least once a year to review the effectiveness of the Company's operations as well as its information technology system. This is to ensure that Vinythai's operations are in line with Solvay's corporate policies and standards. On each of the occasions-to-date, Solvay's auditor has found the Company's internal control systems to be satisfactory and has identified no significant issues.

The Board of Directors strongly emphasizes risk management. Therefore, in order to ensure that the Company has in place standard practices for responding in an appropriate, systematic and efficient manner to any risk that confronts any part of its business operations, the Company established a Risk Management Policy and a Risk Management System which are steered by Risk Management Committee. The Risk Management Committee comprises the Company's top level executives. The Committee meets periodically, at least once a year. All Risk Management members are responsible for management and mitigation of the potential risks identified that could affect the achievement of the Company's objectives, including focusing on risk

awareness, improving work procedures and optimizing utilization of resources. Under the Risk policy, employees are required to integrate the risk management into normal management processes such as business planning, investment analysis, project and operational management. Ignoring risk is not permissible. All managers with support of their subordinates are expected to maintain an up-to-date risk list or equivalent approaches to provide assurance that the risk management system is being followed. Reporting on key risks and status of controls shall be incorporated in management reports. Risk factors related to the Company's business are identified in a separate section of the Company's annual report and in Form 56-1.

Board Assessment

The Board of Directors has carried out its duties with maximum transparency and in full conformity with the Principles of Good Corporate Governance and Code of Best Practices for Directors of Listed Companies, as prescribed by the SET, as well as the Securities and Exchange Act, B.E. 2535. The Board of Directors recognizes the importance of a self-evaluated and a constant improvement in its working performance. Therefore, the company conducted a self-assessment for all of the Board's members to evaluate their performance in accordance with the principles of Corporate Governance. The process and criteria of the self-assessment are mentioned here under.

The process of Board of Directors self-assessment.

1. The Nomination and Remuneration Committee reviewed the assessment form for its accuracy and completeness as determined by the Principles of Corporate Governance.
2. The Company Secretary summarized the results of the assessment.
3. The Company Secretary reported the assessment results to the Board of Directors as reference for performance improvement.

The self-assessment has generally been taken in 6 main criteria;

1. Structure and qualifications of the Board of Director.
2. Roles and responsibilities of the Board of Director.
3. The Board of Director meetings
4. The Board's performance in duties
5. The Board's relationship with the Company's management.
6. Self-improvement of the directors and management development plan.

The Board of Directors' self-assessment is conducted on an annual basis. The result of the previous year self-assessment is satisfactory. The Board has effectively contributed for their duties. The findings of the assessment were presented and reviewed for continual improvement.

Board Self-Assessment of Sub-Committee

Annual evaluation of performance of Sub-Committee e.g. Audit Committee was carried out in order to monitor and carry out continual improvement. The assessment result was reported in the Board meeting for their acknowledgement. Based on 2015, the result showed that all performance was highly satisfactory.

Board and Management and Employee Training

The Company supports and facilitates trainings for members of the Board of Directors, the Management and employees so as to continuously improve their skills, knowledge and working performance. The Company's Board of Directors actively participates in the director trainings arranged by the Thai Institute of Directors Association (IOD). Some foreign directors who do not reside in the Kingdom are sometimes unable to attend the director training sessions as scheduled by the Thai IOD. However, they are provided relevant information by the Management to update themselves. Details of the Board of Directors' trainings are presented in the Annual Report and Form 56-1.

Business Orientation and plant visit are provided to the new directors in order to help them better understand the nature of the business and operations of the Company. Training sessions for directors on pertinent topics are arranged to enhance their performance of their roles and responsibilities.

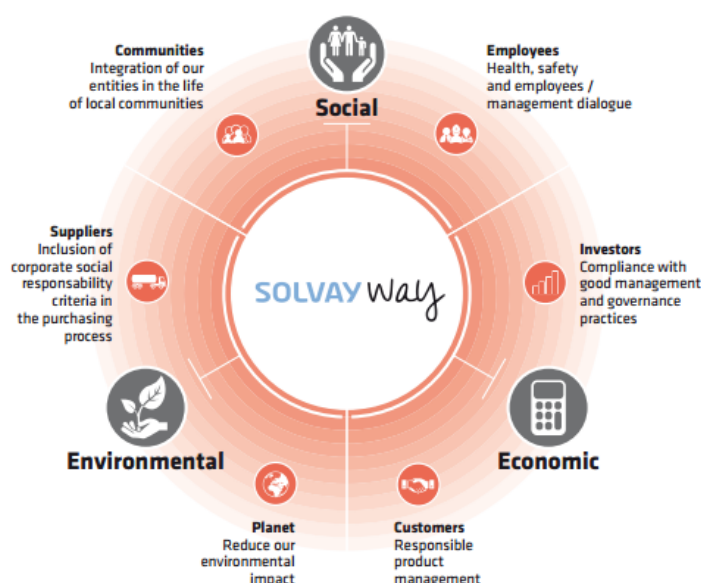
The Company has introduced a career development planning program to cultivate the potential of its personnel and prepare those showing promise for roles that will serve the future needs of the Company. The career development highlights management positions for which training and development are recommended for each individual, both technical and non-technical programs, so as to enhance and promote learning and transfer of technologies and knowledge, both domestically and abroad.

10. Corporate Social Responsibility

Sustainable Development based on the Solvay Approach and Solvay Way

As Vinythai Plc's major shareholder is Solvay Group, the Company has adopted Solvay's sustainability management practices - "The Solvay Way" - as its framework for achieving its sustainability objectives and to ensure consistency and relevance throughout the organization and its business chain.

The Solvay Way is based on a reference framework covering six primary stakeholders: customers, employees, investors, suppliers, communities, and the planet.



The Board of Directors' Engagement in Corporate Social Responsibility Practices

The Vinythai Plc. Board of Directors' engagement in CSR practices exists at the policy and management levels. The Board of Directors analyses the previous years' operations and gives suggestions on needed improvements.

One aspect of Vinythai's CSR practices that received close attention from the Board in 2015 is anti-corruption efforts. The Chairman of the Board of Directors signed the Declaration of Intent, In View of Establishing Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), coordinated by the Thai Institute of Directors (IOD). This significant move emphatically endorses Vinythai's willingness and commitment to strong ethical behavior in all its activities.

The Board of Directors' engagement in this process greatly contributes to the accomplishment of the sustainability goals set by the Company which are prioritized according to its economic, environmental and social responsibilities.

Integrated Management System Policy

Vinythai Group aims to be a sustainable development reference point. As such, the Company applies management system excellence practices and adheres to the following key principles:

- **To make safety the first priority** wherever and whenever employees and contractors are working while always striving for improvement and achievement of the Company's ongoing zero accident target.
- **To integrate health and environmental principles** into its daily activities by continually-reducing the key impacts of its businesses, including energy consumption, natural resources & resources consumption, emission reduction, and product life-cycle perspectives.
- **To comply with all applicable legal requirements, business code of conduct** and other rules to which the Group subscribes internally and externally.
- **To commit to continual improvement, taking a risk-based approach adhering to preventive principles and best practices** via established management tools and processes, including innovations & suggestions, knowledge management, excellence programs, and a sustainable development program.
- **To enhance employee engagement and foster teamwork practices** in order to nurture and maintain a happy work place.
- **To enhance and deliver satisfaction to the Group's key stakeholders** - customers, suppliers, external providers, communities and investors.

(Mr. Bruno van der Wielen)

Managing Director

Economic Responsibility

Vinythai has to manage its products properly. Besides complying with local and international laws and regulations, the Company manages and enhances the needs and expectations of customers relative to sustainability issues.

In terms of product sustainability, the Company periodically reviews its product portfolio using the SPM (Sustainable Portfolio Management) tool. This tool provides the Company a better understanding of each product in terms of market sustainability and operational vulnerability. It also aids identification and selection of research and development projects.

Total Quality Management

Company Action Plan

In 2015, the Company reviewed and formulated plans in accordance with its Vision and Mission, by taking into consideration all risks that might inhibit the attainment of its business targets

Customer Satisfaction Survey

Vinythai desires that its products should be the first choice of its customers. To this end, the Company consistently monitors and measures customer satisfaction. On a regular basis, the Company's marketing team outsources an independent survey of both its domestic and export customers. The findings from the surveys are used to design marketing plans closely tailored to both individual customers and market trends, implementation of which further strengthens the Company's position going forward.

These surveys target eight areas of customer perception: product, price, sales representation, delivery, financial/shipping documentation, credit policy, technical services and Corporate Social Responsibility. Responses consistently indicate increasing levels of satisfaction. Nevertheless, the Company, as ever, remains committed to continuing to raise its customer satisfaction levels in each area in the coming year and beyond.

The Company also tracks customer complaints and acts to prevent or resolve any issues or problems. These internal measures are used by the Company to monitor, understand, predict and improve its overall performance. Meanwhile, several visits were undertaken during the past year to both Thai and foreign customers of the Company's PVC and Caustic Soda output. In all cases, these visits indicated high levels of customer satisfaction.

Besides external customers, the Company has internal suppliers who are very much instrumental in achieving external customer satisfaction, as such, they too are surveyed. Here the objective is to gain information which can be used to improve internal process efficiencies. Surveyed areas include the Company's testing laboratory and its quality control, maintenance and engineering departments.

Moreover, these efforts to accentuate customer satisfaction in the past years included complimentary provision of specialist technical training in connection with the Company's products.

Management Systems

In order to achieve the Company's goals, to instill employee's understanding and awareness of targets, and to keep everyone moving in the same direction, the Management team has fixed Key Performance Indicators which are communicated to all employees via the Company's intranet and through various public relations activities.

In 2015, the Company's fully integrated subsidiary Advanced Biochemical Thailand Co., Ltd. (ABT) has received certification from the Roundtable on Sustainable Biomaterials (RSB) which has been assessed by third party - SCS Global Services for the production of Epicerol®, a bio-based building block for renewable chemicals and resins.

Related current product licenses and management standards for which the Company has been certified are as follows:

Product licenses

- Thai Industrial Standards Institute license to display a Standard Grade stamp on PVC piping resin.
- Thai Industrial Standards Institute license to display a Standard stamp on 32% & 50% sodium hydroxide, quality level 1.
- Food and Drug Administration (FDA), Ministry of Public Health, Thailand, license to display an FDA stamp on 32% & 50% sodium hydroxide food additives.
- A Central Islamic Committee of Thailand license to display a Halal stamp on 32% & 50% sodium hydroxide food additives.
- Kosher Certification for Caustic Soda product, which achieved the requirement of the Jewish law framework, certified by Thai Kashrut Services Ltd. , the Jewish Community of Thailand.
- Thailand Greenhouse Gas Management Organization (TGO), license to display a Carbon Reduction Label for PVC Suspension, PVC Emulsion, and 32% & 50% Sodium Hydroxide.

Management standards

- ISO 9001: 2008 certification, as assessed by Bureau Veritas Certification Thailand.
- ISO 14001: 2004 certification, as assessed by Bureau Veritas Certification Thailand.
- OHSAS 18001:2007 certification, as assessed by Bureau Veritas Certification Thailand.
- GMP Certification & HACCP Certification of Caustic Soda product as assessed by Bureau Veritas Certification Thailand.
- ISO/IEC17025: 2005 laboratory accreditation, originally certified by the Thai Industrial Standards Institute (TISI)
- Certified compliance with Standard for Corporate Social Responsibility (CSR-

DIW) B.E. 2552 of the Department of Industrial Works, Ministry of Industry.

In addition, continuous improvement of its system to compliance with guidelines for social responsibility ISO26000: 2009 Guidance on Social Responsibility.

- Carbon Footprint Label issued by the Thailand Greenhouse Gas Management Organization (TGO) for carbon dioxide emission reduction during production of PVC Suspension, PVC Emulsion and Sodium Hydroxide, and intermediate products, namely, Vinyl Chloride Monomer and Ethylene Dichloride.
- Carbon Reduction Label for Laboratory Buildings from Thailand Environment Institute (TEI). This label testifies that carbon dioxide emissions from the laboratory building were reduced by at least 10% from 2002.
- Green Industry Certificate Level 3 and Level 4 issued by the Ministry of Industry.
- Green Building Council of Australia (GBCA) - Green Star Credit Best Practice Guidelines PVC as assessed by Lloyds Register Quality Assurance Limited.

Independent assessors performs audits annually on the Company's Integrated audits to monitor and help to ensure high standards, effective implementation, full compliance and continuous improvement of three integrated management systems - ISO9001, ISO 14001, OHSAS 18001. To-date, these meticulous audits have not uncovered any non-conformity, leading to the conclusion that the integrated management systems are functioning according to design.

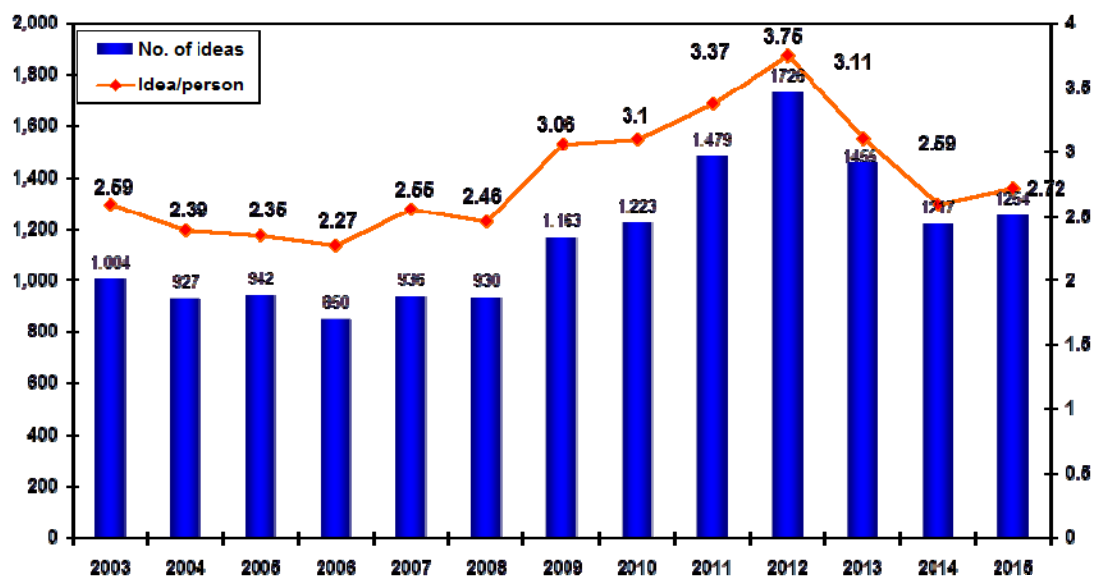
Product Stewardships

To prevent safety, health and environment impacts, Vinythai applies the Solvay Product Stewardship policy, the Company's existing programs and regulations related to the acquisition of the products covering selection of raw materials, control of production process, storage, transportation and use of products. Vinythai sets regulations and measures for safe, and distribution of end-products. The Company sets measures and ensures this by:

- Improving safety documentation in accordance with the Globally Harmonized System of Classification and Labelling of Chemicals (GHS)
- Providing customers and transport service providers with a wide range of product safety training courses
- Assessing health impact risks potentially pertaining to the products and implementing risk mitigation measures.

Innovation and Suggestion

Total Number of Ideas & Ideas/Person from 2003-2015



A committee is nominated to run and promote the Innovation & Excellence activities. Before each year ends, the committee organizes the Innovation & Suggestion event in order to celebrate and recognize those implemented & outstanding innovative ideas.

In 2015, the innovation and suggestion idea ratio reached 2.7 ideas per person, saving approximately a total of 315 MTHB. Those ideas were classified in several categories, such as energy saving, effective and efficient use in natural resources, environmentally friendliness, customer satisfaction improvement, quality & quantity improvement, Lean Six Sigma projects, etc.

In 2015, Vinythai pursue the deployment of the Lean Six Sigmas project management process. As such, 5 new Black Belts and 7 new Green Belts have been certified, reaching the total of 11 Black Belts and 32 Green Belts. The LSS process generated 34 specific projects that generated 71MTHB of savings. For the coming years, it is planned to further deploy the LSS methodology and bring everyone to the level of white or yellow belt certificate.

Environmental Responsibility

With its strong commitment to environmental governance, the Company seriously implements its environmental management in accordance with stringent legal and regulatory requirements. The Company never rests on its laurels and continuously enhances its production efficiency with clear targets and indicators. This, in turn, entails focusing on optimizing consumption of natural resources, including raw materials, water and energy, and minimizing waste. Regular environmental assessments are thoroughly reviewed. Corrective and preventive measures are implemented to lessen environmental impacts and maximize the efficiency of

environmental resources consumption. Suggestions from local and international experts are welcomed. Moreover, environmental awareness is raised and environmental culture promoted among employees and stakeholders in the Company.

Environment and energy conservation measures taken in the past year include:

- **Water Management:** In collaboration with Solvay, Vinythai set a team to study and conducted risk assessment in water management with a view to planning and efficiently optimizing water usage.
- **Climate Change and Energy Efficiency:** Energy efficiency has been improved with respect to optimization and improvement of production processes, machinery and energy savings. The Company could reduce the CO₂ emissions to 31 tons per 1,000 tons/product and energy consumption to 339 gigajoules per 1,000 tons/product.
- **Air Emissions:** Since 2002 Vinythai has rigorously implemented Leak Detection and Repair (LDAR) guidelines in performing its VOC management. LDAR is a highly efficient and cutting-edge technology.
- **Waste Management:** Vinythai implements 3Rs (Reduce, Reuse, Recycle) principles in its waste management to reduce solid wastes. Moreover, wherever possible waste is re-used or recycled.

In 2015, Vinythai won prestigious awards for its environmental responsibility from three sources: 1) "3Rs and Zero Waste to Landfill Award 2015" for its Zero Waste Project from the Industrial Waste Management Bureau, Department of Industrial Works. 2) The 8th Environmental Governance Awards (Excellent Level) and The 3rd Environmental Governance Award (Best Level) from the Industrial Estate Authority of Thailand. 3) The Green Industry (Level 4) award from the Industrial Estate Authority of Thailand.

Social Responsibility

Vinythai's policy regarding its role with respect to community, society and environment, as defined in its Corporate Governance manual, lays the ground-rules for the Company's sustainable operation and contribution to the welfare of society.

The Company conducts itself as a good corporate citizen and operates its business in accordance with its clearly defined duties and responsibilities to community, society and environment.

The Company encourages its employees to be aware of their social responsibilities in both their work and daily lives, including:

- Creating business practices and implementing activities that are responsible and beneficial to society, both in the short and long term, and focusing on business transactions with trade partners who share common intentions regarding social and environmental responsibility.

- Supporting learning and skills development among youths and the public and promoting awareness of natural resource and environment preservation in communities and Thai society.
- Providing correct information, creating understanding, and listening to problems and information about impacts on surrounding communities with a view to implementing appropriate solutions, all based on the principle of co-existence between the Company's plants and communities for mutual benefit and without conflict.
- Supporting beneficial activities, especially in areas where the Company's businesses are located, taking into consideration suitability and providing sustainable benefits to society and communities.
- Supporting public activities and national development policy for the country's benefit as a whole.
- Considering how to utilize natural resources with minimum impact on society, the environment and quality of life.

In 2015, Vinythai enlisted the Kenan Institute Asia to conduct a Community Perception Survey on the Company's CSR projects. The results of the survey indicated high satisfaction, at 84.46%. The aim of mutual benefit and harmony between the Company's industrial activities and society is further enhanced as follows:

1. Health and Safety of Employees and Surrounding Communities

In 2015, the Company implemented the following health and safety projects:

Community Health and Safety

- In collaboration with Noenphra Municipality and communities, Vinythai organized the 6th Noenphra-Vinythai Super Minimarathon for the H.R.H. Princess Soamsawali Cups. The event involved 1,785 participants from across the country. Organized since 2010, the event celebrated His Majesty the King's 84th birthday. The ongoing project is acclaimed for encouraging youngsters and the public to exercise and for promoting the tourism potential of Sangchan-Suchada Beach.
- In collaboration with Map Ta Phut Industrial Estate and the Office of Disaster Prevention and Mitigation, Map Ta Phut Municipality, the Company staged a rehearsal of the Community Emergency Preparedness Plan for Soi Prapa Community and Rayong Wittayakom Nikom Utsahakam School. The objective of this project is to ensure that 1,224 locals and over 550 teachers and students know how to manage crises when they occur and can minimize the risk of loss of life and/or impairment of natural resources.

- On Open House Day, 160 locals from eight communities in Map Ta Phut visited Vinythai's plant to learn how it applies rigorous quality, health, safety, environment and social measures to its production, followed by a guided tour of the plant. Questions raised and suggestions made were answered and noted in a spirit of helpfulness and transparency.
- As a member of the Chlor-Alkali Products Transportation Emergency Mutual Aid Group, Vinythai led emergency drills in case of chemical leakage from tank trucks during transportation. The drills ensure that concerned parties are ever ready to competently and speedily contain and neutralize any emergency that may occur.

Health and Safety for Employees and Contractors

Occupational Safety - from "Zero Injuries" to "Zero Incidents" Organization

The Company promotes systematic risk assessments in relation to activities performed, and monitors for potential hazards at the earliest stage, thereby minimizing risks. Several development programs have been introduced for employees and contractors, including safety management system guidelines, as follows:

- Conducting systematic risk assessment and following plans to avoid or mitigate the impact of such risks. Concerned employees receive continuous training. In 2015, all Vinythai employees received at least 16 hours of safety training.
- Leveraging safety management to avert fatal accidents and accidents with irreversible consequences. With a very simple concept, "Life Saving Rules" was rolled out to inculcate safety consciousness and strict compliance with safety rules to employees and contractors through training and communication initiatives.
- Promoting systematic risk assessments in relation to activities performed, and monitoring for potential hazards at the earliest stage, thereby minimizing risks. "Behavior Based Safety" (BBS) is implemented to continuously promote a safety culture throughout the Company. In 2015, over 10,000 dialogues were initiated with employees and contractors.
- Reinforcing safety standard reviews by exchanging knowledge and experience with other plants every month.
- Enhancing safety management and performance by using Solvay's "Safety Excellence" framework

In 2015, Vinythai won the "2015 Zero Accident Award -Gold Level" bestowed by the Department of Labor Protection and Welfare, Ministry of Labor, for achieving over 8 million work hours without lost working day accident. This was all the more gratifying as it came on top of the Department having bestowed Zero Accident Awards - Silver Level in each of the five preceding years.

The Company organized its 20th Health, Safety and Environment Day with the aim of raising safety awareness among employees, contractors and suppliers.

Health Risk Assessment

The Company has voluntarily and proactively implemented the Health Risk Management system developed by its major shareholder, Solvay. The Company undertook its annual review of the program and the progress with the concerned staff, and health protection and promotion programs effectiveness. Critical Task Exposure Screening is implemented to study and analyze primary risks and impacts to operators' health. The information gained from the analysis is used to compile and plan for advanced risk analysis.

Process Safety Management Program Enhancement

To operate and maintain its plant and asset integrity in such a way that all risks are appropriately managed and contained, the Company implements Process Safety Management. Moreover, the Company conducts Quantitative Risk Analysis to define risk control measures and maintain process safety reliability, as follows:

- Reviewing risks that may impact production processes and safety analysis systems, and applying Solvay's risk analysis practices in parallel with existing risk management practices.
- Providing regular training courses on risk assessment, analysis, prevention & control, as well as safety management systems, to all concerned.
- Sharing cases and experiences from other organizations with employees and designing preventive measures accordingly.
- Being risk-assessed by an insurance company. The Company was designated "Excellence" level risk management of insurance concerns.
- Effective emergency response plans and regular drills were implemented.
- In the year 2015, the Company reported one process incident with an leakage of HCl in the Chlorovinyls Unit. The accident was quickly brought under control without any environmental impact or injuries. Thorough investigation and root cause analysis was carried out and preventive actions and measures were taken to avert future risk.

Transportation Management Risk

In collaboration with transport service providers, Vinythai took several steps to avoid transport accidents and ensure reliable delivery to customers. These included: defining route maps; training truck drivers in hazardous chemicals transportation; providing truck check-ups aligned with The European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR); installing GPS tracking devices in trucks, and; maintaining an active role in the "Chlor-alkali Agreement for Transportation Emergency Mutual Aid Group, CATEMAG", the well-recognized organization initiated by chlor-alkali manufacturers and transport service providers in Thailand. Training for truck drivers, inspections, audits and emergency response drills are regularly conducted with full support from the Board of Directors and concerned committees.

2. Environmental Conservation and Management

Vinythai has engaged in a wide range of environmental conservation activities, notably:

- The Company management and staff in collaboration with Map Ta Phut Industrial Estate Authority, 26 industrial enterprises and communities, enthusiastically participated in the 13th International Coastal Cleanup along 11.5 kilometers of Mae Rumphueng Beach. The annual cleanup raised over 2,500 people's awareness of coastal protection and garbage management and helped to improve the local environment.
- Vinythai has for many years been a key supporter of the Starting Coral Cultivation (80,000 branches) for His Majesty the King Project which revives coral beds by cultivating coral on artificial structures and planting them in the sea. So far, 69,162 coral branches have been cultivated. In 2015, 11,440 people participated in these coral cultivation activities during which they were informed about marine and coastal resource conservation.
- Vinythai organized an Open House Day to welcome around 160 locals from eight communities in Map Ta Phut to learn how the Company implements rigorous quality, health, safety, environment and social measures in its operations. This was followed by a guided tour of the plant. Questions raised and suggestions made were answered and noted in a spirit of helpfulness and transparency. The party then proceeded to Vinythai's Coral Cultivation project at the Samaesan community in Chon Buri.

3. Educational Support for Youths

STEM (Science, Technology, Engineering, Mathematics) education was brought to the fore of the Company's attention by its Community Perception survey. Besides financial support for students in need, Vinythai organized activities to promote STEM education accordingly:

- In collaboration with the National Science and Technology Development Agency (NSTDA), Vinythai organized a contest to encourage schools to make good use of PVC telescopes given to them to promote astronomy studies in their communities and society. Five selected schools won over 250,000 baht in scholarships. In addition, the Company set up a booth at the National Science and Technology Fair 2015, held November 14-25, 2015, to show how telescopes work and introduce star observation activities. The booth welcomed over one million youngsters and members of the general public.
- The Company organized an excursion for 42 teachers and students from Maptaput Panpittayakarn School to visit the National Science and Technology Fair 2015.
- The Company supported the instruction of 7,261 students in coral reef lifecycles, benefits of coral reefs to ecosystems, and how to cultivate coral with PVC pipes.

4. Activities Supporting Religion, Traditions and Important National Days

The Company cooperates with communities, temples, schools and public sector entities in Map Ta Phut, to organize events and activities that respect and celebrate the religions, cultures and traditions of Thailand. In 2015 the Company cooperated

with Khodhinmittrapap community to fund and organize the annual ceremonial presentation of robes. Other examples include the pouring of water onto the hands of revered elders and seeking their blessing during the annual Thai New Year “Songkran” festival, and renovation of a mosque in a Muslim community in Map Ta Phut. In addition, Company staff regularly volunteer for worthy causes undertaken as part of significant national celebrations such as His Majesty the King’s Birthday (Father’s Day) and Her Majesty the Queen’s Birthday (Mother’s Day).

5. Occupational Development and Community Wellbeing

Vinythai staff regularly visit communities around Map Ta Phut to spread awareness and understanding of the Company’s operations and synchronize areas of mutual interest. The Company listens and responds to suggestions that help resolve issues and generate income in the communities.

Vinythai has formed an occupational group comprised of members of Map Kha-Map Nai, Soi Ruam Pattana and Ban Plong communities and empowered it to develop community members’ skills so that they can produce handicrafts of commercial quality and viability. The Company’s support includes arranging expertise-raising in-house training courses taught by professionals, and supporting marketing efforts.

As an active member of the Community Partnership Association, Vinythai proposed the Map Kha- Map Nai occupational group to join an initiative of the Association’s to leverage community enterprise in accordance with the effective Thammasat Model.

Practice for Anti-Corruption

The Company introduced a Code of Conduct for its Management and employees, providing guidance as to how to perform their duties in line with the Company’s corporate mission, and with honesty and fairness to the Company and its stakeholders including the public and local communities. The Code of Conduct has been amended to reflect changes in the business environment. The Management and staff members have agreed via written consent to adhere to the code. The Management is accountable for ensuring that conduct is in full compliance with the code and are required to sign their acknowledgement on an annual basis. In 2012, the training on the code of conduct was organized for executives and all staff in order to refresh their awareness of associated practices and their compliance. The Company takes all steps to ensure continuous compliance with ethical principles and that appropriate penalties are imposed in the event of any violation. In addition, employees who customarily deal with and generate business activities with customers, suppliers and competitors, are required to abide by the Company’s Competition Rules which describe criteria for conducting such activities in accordance with ethical values and within the parameters of fair competition.

Business Ethics Policy

The policy of Vinythai Public Company Limited is to at minimum comply with all

government Laws, Rules, and Regulations applicable to its business.

The company Ethics policy does not stop there. Even where the law is permissible, the Company chooses the course of highest integrity. Although local customs, traditions, and morals differ from places to places, honesty is not subject to criticism in many cultures. Shades of dishonesty simply invite demoralizing and reprehensible judgments. A well-founded reputation for scrupulous dealing is itself a priceless company asset.

The Company cares how results are obtained, not just that they are obtained. Directors, managers, and employees should deal fairly with each other and with the Company's suppliers, customers, competitors, and other third parties.

The Company expects compliance with its standard of integrity throughout the organization and will not tolerate employees who achieve results at the cost of violation of law or who deal unscrupulously. The Company's directors and managers support, and expect the Company's employees to support, any employee who lets slip opportunity or advantage that would sacrifice ethical standards.

It is the Company's policy that all transactions will be accurately reflected in its books and records. This, of course, means that falsification of books and records and the creation or maintenance of any off-the record bank accounts are strictly prohibited. Employees are expected to record all transactions accurately in the Company's books and records, and to be honest and forthcoming with the Company's internal and independent auditors.

The Company expects candor from employees at all levels and adherence to its policies and internal controls. One harm which results when employees conceal information from higher management or the auditors is that other employees think they are being given a signal that the Company's policies and internal controls can be ignored when they are inconvenient. That can result in corruption and demoralization of an organization. The company's system of management will not work without honesty, including honest bookkeeping, honest budget proposals, and honest economic evaluation of projects.

It is the Company's policy to make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with the Stock Exchange of Thailand (SET), and in other public communications. All employees are responsible for reporting material information known to them to higher management so that the information will be available to senior executives responsible for making disclosure decisions.

The policies of Code of Conduct are as follow:

- o Conflicts of Interest Policy**
- o Safety, Health and Environment Policy**

- o Safeguarding of Confidential Information policy
- o Gifts, Entertainment and Anti-Corruption Policy
- o Customers Relations and Product Quality Policy
- o Harassment In Workplace Policy
- o Charitable Activities & Company Philanthropy Policy

(Please see more details in :

http://www.vinythai.co.th/en/binaries/CG_code_of_conduct_handbook_EN-190696.pdf)

The implementation of anti-corruption and bribery policies

The company has continued promotion on the Anti-Corruption and Bribery policies as follows:

In 2014, The Company

- Reviewed and developed the Code of Conduct guide book to commit to the highest standards of legal compliance and business conduct.
- Distributed the Code of Conduct guide book to directors, management and employees for acknowledgment and further practices.
- Communicated and published the Company's Code of Conduct in the company's website:
http://www.vinythai.co.th/en/binaries/CG_code_of_conduct_handbook_EN-190696.pdf
- Provided Code of Conduct training to all employees in order to increase their awareness and comply with the company's policies and regulations.
- Provided Code of Conduct activities to all employees for better understanding about the practice of the Code of Conduct.

In 2015:

- o The Company has studied and conducted a self-assessment for countering Bribery, as recommended by the Thai Institute of Directors in order to join the Declaration of Intent in view of establishing the Private Sector Collective Action Coalition Against Corruption (CAC) in October 2015.
- o The Company has joined the Declaration of Intent to in view of establishing Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Chairman of the Board of Directors executed the said Declaration

of Intent on 19 November 2015. The Chairman of the Private Sector Collective Action Coalition against Corruption Council signed for the acknowledgement of the Declaration of Intent of the Company on 2 December 2015.

- o After the Declaration of Intent, the Company has changed its Corporate Governance Policy and Audit Committee Charter expanding to the anti-corruption policies. In addition, the Board of Directors approved to amend the Corporate Governance Policy and Audit Committee Charter.
- o The Company used various communication channels (TV, Vinythai Today Magazine, email) to communicate and explain to employees the Anti-Corruption Policy of the Company.

In addition to the Anti-Corruption, the Company provided employees the training on Competition Law for their working with the Company and for compliance with laws and regulations relevant to the business operation of the Company

As mentioned above, the Company continually recognizes the importance of the anti-corruption. This includes the Company has indicated the Company has not accepted any corruption, bribery or provision of things that as a result may cause the corruption. As a result, in 2015 the Company obtained the Sustainable Development Assessment of the Thai Listed Company as Conducted by Thai Pat in respect to the prevention of corruption involvement. The Company received the 3rd Ranked ("Established"), increased from the year 2014 when the Company received 1st Ranked ("Committed") from such assessment.

For the next step, the Company is in preparation for the certification processes of the Private Sector Collective Action Coalition against Corruption.

11. Internal Control and Risk Management

11.1 Audit Committee's Report for 2015

The Company's Audit Committee as appointed by the Board of Directors comprises three Independent Directors, leading by Mr. Pipop Pruecksamars as Chairman, with Mr. Pote Videtyontrakich and Associate Professor Danuja Kunpanitchakit, Ph.D. as members. All of the Audit Committee members have knowledge, expertise and experiences in various areas such as finance and investment, accounting, technical and petrochemical business. The Audit Committee's qualifications and composition meet all standards as defined by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Audit Committee has independently performed its duties in conformity with the Audit Committee Charter which fully aligned with the requirements of the Stock Exchange of Thailand, and the mission entrusted to it by the Board of Directors. The Audit Committee also emphasized on adherence to good corporate governance and compliance with laws and regulations in relation to the business operations of the Company and its subsidiaries.

Major activities held during 2015 are summarized as follows:

- **Meetings**

In 2015, the Audit Committee held totally five meetings: four ordinary meetings and one non-management meeting with the external auditor. Meeting attendance of each committee member was disclosed in the Annual Report 2015, under Corporate Governance. The management and external auditor were invited to attend the meeting to discuss various issues of concern. The Audit Committee held a non-management meeting once a year with the external auditor without the presence of the Company's management in order to freely discuss issues concerning the preparation of the financial statements, disclosure of information, internal control and management's cooperation, as well as to review other special items so as to obtain sufficient clarifications from the external auditor. The external auditor did not find significant issues which could impact the financial statements. The management provided full support and information as required by the external auditor to perform its duties.

- **Review of quarterly and annual financial statements**

Reviewed the financial statements and auditor reports of the Company as well as the consolidated financial statements for the Company and its subsidiaries for ended 2014 and 2015 quarterly reports, in collaboration with the external auditor and management, prior to submission to the Stock Exchange of Thailand and the public. The Audit Committee expressed its observations, provided recommendations and obtained clarification from the external auditor and the management to ensure that the financial statements were credible, complete in compliance with the generally accepted accounting principles, and contained adequate information and timely disclosure.

Reviewed significant accounting and reporting issues and their impact on the financial statements and provided recommendations pertinent to the Company's financial issues. The review process ensured that the financial information was complete, correct and reliable, with adequate disclosure to meet the generally accepted accounting principles and requirements of relevant laws and regulations.

- **Connected transaction review**

Reviewed the disclosure of connected transactions and potential conflicts of interest to ensure that the Company has conducted its affairs in full compliance with relevant rules and regulations. Based on the review of commercial transactions undertaken in the normal course of business, no unusual transactions considered material were found. In 2015, the Audit Committee also considered the contracts of the Company's subsidiary to be entered with the Company's major shareholder in order to ensure the related transactions are justified by taking into account of the interest of the company and all stakeholders, as well as strict compliance with the SEC's and the SET's rules and regulations.

- **Internal control and risk management review**

Advised and monitored the adequacy, appropriateness and effectiveness of the Company's internal control systems and risk management in place

Assessed the internal control in accordance with the SEC's internal control checklist form, whereby the Audit Committee found that the internal control system remains satisfactory, adequate and appropriate for the Company's business operations. This is in line with the assessment of the external auditor that the internal control system of the Company and its subsidiaries are overall satisfactory. In addition, internal control test was conducted annually by Solvay Group's auditors to ensure an efficiency of internal processes particularly those contributing to the protection of its assets and reliability of financial information.

Recommended the Company to focus on creating employee awareness on roles and responsibility of internal control in order to implant the concept and importance of internal control and to gain better understanding of internal control to enhance control performance involved in the operations.

- **Internal audit review**

Reviewed the internal audit reports of the Company's operations and internal auditing processes, including planning, reporting and following up on implementation of the internal auditor's recommendations for improving operational effectiveness and efficiency. Based on its review, the Audit Committee concluded that the Company's internal auditing has been carried out adequately, properly and effectively. All outstanding issues from previous audit reports had been satisfactorily resolved.

Considered the development of internal audit practices and recommended increasing area management roles and responsibilities to enhance control performance.

Reviewed the selection process of the transportation service provider and provided recommendations to ensure that the process is effective and treated fairly for the benefit of the Company.

- **Corporate Governance review**

Reviewed overall management of corporate governance in line with regulations and recommendations of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and the Thai Institute of Directors (IOD). Resulting from continually conforming to the good corporate governance principles, in 2015, the Company has been assessed and received the Very Good level of corporate governance recognition from the SET, the SEC and the Thai IOD. In addition, a scoring result of AGM assessment by the Thai Investors Association was ranked in "Excellent".

Reviewed reports, submitting via the Company's website, from stakeholders communicating critical issues and complaints regarding accounting, deficient internal control or unethical behaviors. In 2015, there has been no report of such finding through the Audit Committee.

Reviewed the Audit Committee Charter to ensure that the scope of duty and responsibility is in compliance with the requirement of the Stock Exchange of Thailand. In November 2015, the Board of Directors approved to extend the responsibility of Audit Committee to cover the review of the anti-corruption compliance program.

Continued to perform self-assessment of the Audit Committee as a whole to evaluate its general effectiveness. Based on 2015 self-assessment, which was assessed by all committee members, the result showed that all performance was satisfactory.

Acknowledged the Company's Sustainability Development practices and progress of the actions.

- **External auditor and audit fee review**

Evaluated and selected KPMG Phoomchai Audit Ltd. to be the auditor of the Company and its subsidiaries based on the auditor knowledge, expertise, engagement and reasonable audit fee. Consequently, the Audit Committee recommended to the Board of Directors to seek the approval of the shareholders' meeting to appoint Mr. Waiyawat Kosamarnchaiyakit, or Mr. Vairoj Jindamaneepitak, or Mr. Sakda Kaothanthong, as the Company's auditor, and determined the auditor's remuneration for 2015.

Upon consideration of the above issues, the Company's Audit Committee is of the opinion that the Company's financial statements were prepared in accordance with generally accepted accounting principles and adequate disclosure of connected transactions and that the Company conducted its business in compliance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand and related laws. It is further deemed that the internal audit functions, internal control systems, and suitable risk management are effective in ensuring that the Company's financial information is complete, correct and reliable with sufficient disclosure.

Mr. Pipop Pruecksamars
Chairman of the Audit Committee

11.2 Reviewing the effectiveness of the internal control is an important role of the Board's responsibility while the management is accountable to the Board for developing, operating and monitoring the internal control so as to achieving the Company's objectives. The Audit Committee has been assigned by the Board of Directors to review and evaluate adequacy and appropriateness of the internal control to cope with changing business environment while taking into consideration the risk management as well as to maintain accuracy and transparency in operations. The reviews have been made during the Audit Committee meetings with the auditors and concerned management through the financial reports, relevant management report, and internal audit reports to ensure accuracy of the financial reporting and disclosure, completeness of the Company's bookkeeping and adequate safeguarding of its properties, as well as compliance with the generally accepted accounting principles and relevant regulations. The reviews have been also extended to the risks identified and managed by the Company's management in order to ensure that there is an ongoing process and measures to mitigate the risks.

Realizing the importance of good internal control, in 2015, training sessions for employees have been initiated by the Audit Committee in order to raise the employees' awareness towards their responsibilities and to gain better understanding of the internal control, thus will help enhance control performance involved in the operations.

The Audit Committee presented its semi-annual report to the Board of Directors in the Board Meeting No.3/2015 held on July 16, 2015, and year-end report of 2015 to the Board Meeting No.1/2016 held on February 17, 2016 which included the evaluation of the internal control of the Company in compliance with the internal control evaluation form outlined by the SEC based on COSO Framework. After consideration, the Board of Directors has the same view as the Audit Committee that overall internal control system is present and functioning, remains satisfactory, adequate and appropriate for the Company's business operations. Current risk management is adequate to safeguard the shareholders' investment, the interests of customers, regulators, stakeholders, and company's assets. The review has not identified any circumstances which suggest any fundamental deficiencies in the Company's internal control system, which can be summarized that

1) Control Environment

- The Board of Directors supervises the Company to set clear and measurable annual business goals and strategic plans, as well as to monitor KPIs set by the management, which are used as guideline and benchmarks to ensure achievement of the objectives.
- Policy on Corporate Governance, business ethics and code of conduct have been defined and approved by the Board as well as communicated to employees at all level. The latest revisions of the policy and the code were considered and approved by the Board of Directors in 2014. To further raise awareness of the code of conduct, the Company has promoted adherence to the Company's code of conduct all over the year through code of conduct handbook including corporate governance principles disseminated to employees, internal publications and trainings. The Company takes all steps to ensure full compliance with ethical principles and that appropriate penalties are

imposed in the event of any violation. Implementation on principles of good corporate governance has been continually carried out to further improvement.

- According to the Company's structure, delegation of authorities has been clearly defined by the Board of Directors, especially for significant matters, to ensure transparency and accountability. Explicit approval procedures for operations, the roles and responsibilities of management and operation in each level, including reporting lines, have been clearly stated in writing and reviewed upon changes to ensure sufficient control. Appropriate resources are regularly reviewed and adjusted to ensure that the duty performance process especially involving high risks are justifiable. Performance measures are formulated and applied to employees at all levels. Trainings are continuously provided to employees to enhance their competency.

2) Risk Assessment

- The Company's risk management system is integrated into the review of corporate strategic plan which is annually presented to the Board of Directors for consideration. The Board of Directors assigned the Business Advisory Committee to prescribe policies and suggest measures for the appropriate and efficient management of risks associated with the business of the Company, to evaluate the performance and to review risk profiles of the Company as to ensure that the risks are not higher than determined risk tolerance. The review by the Audit Committee is to ensure that the risk management systems and measures of the Company are appropriate.

- The Company has implemented an Enterprise Wide Risk Management (ERM) framework to identify, measure, access and manage risks encountered by the Company and its subsidiaries, both internally and externally. In 2015, the ERM process has been also revamped to strengthen the risk identification and assessment of the risks relating to objectives.

Under current Risk Management Policy and the Risk Management System which are steered by top level executives, all risk management members are responsible for management and mitigation of the potential corporate risks identified both from internal factors and external factors that could affect the achievement of the Company's objectives in the changing business environment, by taking into consideration, risks to objectives related to operation, compliance, external financial and non-financial reporting. The management is also well aware of operation risk related to fraud, thus measures for preventing and detecting potential fraud are implemented through effective control procedures, segregation of duties, explicit delegation of authorities and control over information system and accessibility. On-going monitoring of high risks are monitored and assessed to ensure effective mitigation measures. According to the policy, employees are required to integrate the risk management into normal management processes. All managers with support of their subordinates are expected to maintain an up-to-date risk list or equivalent approaches to provide assurance that the risk management system is being

followed. Reporting on key risks and status of controls shall be incorporated in management reports.

3) Control Activities

- Policies, business process manuals, and procedures related to procurement, finance and credit management, contracts and loan agreement have been formulated to ensure management directives are carried out. Such policies and procedures are regularly reviewed to be appropriate for business operations. Delegation of power and transaction authority with line of approval has been defined in writing and regularly reviewed with approval by the Board of Directors, which covers delegation of power granted to the management to act as directors in its subsidiaries. Extending from the management down to the operational level, roles and responsibilities at each level have been defined, in writing, to demonstrate clear authority and duties of all employees. For the sake of maintaining good control, the Company separates the function of authorization of the transactions from that of book recording and safeguarding of assets. All relevant parties are given a framework, within which they can control utilization of the Company's assets, while the duties of operational staff and inspectors are kept separate. Additionally, a financial control system has been introduced, via the implementation of a financial reporting process for the various levels of management.
- Regarding connected transaction, Directors and the management are well aware of and comply with the regulations governing the connected transactions. Significant related transactions had been reviewed by the Audit Committee, covering criteria, procedures and information to ensure the transparency and the best interest of the Company. Directors or management having interests in the related transaction were not involved in decisions and approval process. The Company Secretary is responsible to keep report on interest filed by a director or executive of the Company.
- The financial reporting and all connected transactions are correct, complete with adequate disclosures to meet the generally accepted accounting principles and in conformity with the Securities and Exchange Acts, Regulations of the Stock Exchange of Thailand, and any other relevant laws.
- The Company selects and develops control activities over technology to ensure accuracy and transparency of the operations. Access to confidential information, significant data, or critical application is limited to authorized persons. Rules and regulations have been established to ensure security of the Company's information system. In addition, procedure of business continuity plan which extended to supply chain logistics was established to ensure company operation, products to customers and information system continuously in operation from any kind of failure.
- The Company always monitors legal compliance relevant to business operation of the Company and its subsidiaries, both locally and internationally.

4) Information and Communication

- The management obtains or generates and uses relevant and quality information from internal and external sources. Meeting materials prepared for the decision of the Board of Directors are adequate and submitted to the directors in advance. Meeting minutes are recorded and kept for reference. Transactions and accounting records are completely filed. The financial reporting has been prepared in compliance with the generally accepted accounting principles in Thailand and other appropriate and consistent accounting policies. The Company has disclosed all important information both financial and non-financial to the SEC, the SET, and relevant regulators in a proper and transparent manner.
- The Company has implemented systematic data processing and enhanced information quality through a data governance program, as well as, identified, protected, and retained financial data and information with access and application control.
- Several internal communication channels have been set up to deliver important business information to employees. In 2015, the Company has organized Town Hall meetings to facilitate communication from senior managements to employees at all level in order to update business information, the Company' visions and objectives to the employees.
- The Company has set up communication channel for stakeholders to voice their concern about any crucial case related to the Company's operations or unethical practices via the Audit Committee at the Company's website. The Company's website also includes details of personnel responsible for each area so that investors, customers, local communities and other stakeholders can communicate recommendations and make enquiries from the Company via the Company's website. Furthermore, the Company encourages employees to ask questions, voice concerns and make appropriate suggestions regarding the business practices of the Company. Employees are expected to report promptly to management suspected violations of laws, policies, and internal controls. Alternative channels of communication on such concern are provided for employees. According to the Company's code of conduct, the rights of any person who communicates such concern shall be protected.

5) Monitoring activities

- The Company has a monitoring process at both operational and management levels. The Board of Directors assigned the Business Advisory Committee to assist the Board in monitoring the performance indicators and business goals compared to the approved targets. The Management Team holds monthly meeting to discuss and follow-up significant issues related to business performance, resources planning, employee development plan, as well as to monitor the risk mitigation measures as defined. In case there is a major issue with possible impact to the Company, the management will review the situation and propose actions to the Board of Directors. Each operational unit

has implemented their on-going monitoring process to ensure their works are aligned with and achieved the business targets of the Company, with consideration of risk assessment.

- The Company has also established internal audit department to review the control system and monitor plans to ensure an effectiveness and adequacy of the internal control. Audit findings are reported to the Audit Committee meetings whereby the Audit Committee reviewed and provided recommendations for improvement. As assigned by the Board of Directors, the Audit Committee shall review the overall management of the Company's corporate governance practices. In 2015, the audit reports did not find significant deficiency in the internal control system. No violations of the SEC and the SET regulations or other related laws were found.

- The Company's external auditor reviewed the internal control and found that the internal control system is satisfactory and the financial reporting is in compliance with the accounting standard. Being one of Solvay's affiliates, Solvay audit team also performed an audit as well as internal control audit at the Company and its subsidiaries to review the effectiveness of the Company's operations. On each of the occasions-to-date, Solvay's auditors have found the Company's internal control systems to be satisfactory and have identified no significant issues.

11.2 Head of Internal Audit

The Company has appointed Dr. Supachat Chairatanathavorn as Internal Audit Department Manager and in charge of Secretary to the Audit Committee. The Audit Committee recognized that Dr. Supachat Chairatanathavorn has competency to perform the duty in leading the internal audit unit. He has continuously participated in relevant trainings to update knowledge and expertise. With his in-depth experiences in various aspects and qualifications, Dr. Supachat has extensively supported the Company for business performance improvement.

According to the Audit Committee Charter, the Audit Committee approves the appointment, transfer, and dismissal of the chief of an internal audit unit, or any other unit in charge of an internal audit, including expressing an opinion on qualifications and performance of the chief of an internal audit unit.

(Experience and educational qualification of the Internal Audit Department Manager are disclosed in the Attachment 3 - Information of Head of Internal Audit).

12. Related Transaction

(1) Related Persons and Significant Connected Transactions in 2015

2015 SIGNIFICANT RELATED TRANSACTIONS

The Company had significant business transactions with subsidiary, associated and related parties as following:

	Product or nature of business	Nature of relationship and connected transactions	Transaction between companies	2014 Thousand Baht	2015 Thousand Baht
Transaction with subsidiary					
1. Advanced Bio-chemical (Thailand) Co., Ltd.	Production of Epichlorohydrin (ECH)	Vinythai holds 100 percent of its shares	Service income Interest income Sale of caustic soda Purchase of raw materials	131,701 139,043 642,294 157,049	151,405 122,688 682,498 171,386
2.SOLVAY BIO-CHEMICALS (TAIX-ING) Co.,Ltd.	Production of Epichlorohydrin (ECH)		Reimbursement expense Reimbursement income Spare part income Spare part expense Reimbursement expense Interest income	- - 6,090 - 27,431 -	254 31 5,699 115 - 35,416
					-
Transaction with associated company					
1 Pirmai Salt Co., Ltd.	Manufactured and trading of industrial salt	Vinythai holds 28.49 percent.	Purchase of raw materials	450,449 -	469,339 -
Transactions with related Companies					
1 Solvay S.A. and Solvay's Subsidiaries	Production and distribution of products in 2 core businesses : Chemical and Plastic.	Solvay S.A. holds 100 percent of Solvay Vinyls Holding AG's shares.	PVC export for testing Interest income Commission income Purchase of raw materials Purchase of spare parts, services expenses and others SIS service charge License expenses and technical assistance services Commission expenses Sale of PVC Other Service income	912 58 - 4,586 9,402 21,001 38,262 2,381 - 1,868	- 23 - 1,554 14,707 17,113 10,544 3,006 849 3,607
2 Solvay Peroxythai Co., Ltd.	Production and distribution of Hydrogen peroxide	Company owned by Solvay's subsidiaries holds 100 percent of its shares.	Sales of Hydrogen Service income Purchase of Hydrogen peroxide 50% Purchase of spare parts	74,571 7,099 3,743 6 -	37,478 8,475 2,407 - -
3 PTT Global Chemical Public Co., Ltd.	Production and distribution of petrochemical products, by products and the provision of support services	Holds 24.98 percent.	Sales of NaOH Purchase of ethylene Throughput fee and services	62,601 7,247,788 15,457 -	61,296 6,235,646 9 -
4 Thai Tank Terminal Limited	Provides storage and transport services for liquid chemicals, oil and gas.	Company owned by PTT Global Chemical Public Co., Ltd.	Rental tank and services	48,292	52,214
5 Solvay Asia Pacific Co., Ltd.	Regional Office Headquarter to provide services and consulting for business administrative and technical assistances to affiliates.	Solvay S.A. holds 100 percent of Solvay Asia Pacific's shares.	Service income Service Expense	5,921 6,588	6,864 10,017
6 MTP HP JV (Thailand) Co.,Ltd.	Production and distribution of Hydrogen peroxide	Company owned by Solvay's subsidiaries	Sale caustic soda	13,184	14,878
				9,117,777	8,119,518

Remark: The above related party transactions are in the ordinary course of business. The amounts shown above were already included in the Statements of Earning. There are additional explanations in Notes no. 4 to the 2015 financial statements as examined and reported by the auditor under his audit report dated 17 February 2016

(2) Policy on Connected Transaction in the Future

In order to avoid any unnecessary conflict of interest, the Board of Directors has a policy to carefully scrutinize any connected transaction. Thus, the connected transaction in the future will be a normal business operation of which no special issue and no beneficial transfer between the Company, the associated or related company and the Shareholders would be carried out. This is to be in line with the Stock Exchange of Thailand's regulations based on Arm's Length Basis.