

Part 2

Management and Corporate Governance

7. Securities Information and Shareholders

7.1) Number of Common Shares and Paid-up Capital

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

7.2) Shareholders

(1) Major Shareholders

(a) Major Shareholders:

No.	Names of Shareholders	As of 7 May 2019	
		Number of shares (shares)	%
1	AGC INC. (JAPAN)	696,663,509	58.781
2	PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED	296,038,689	24.978
3	THAI NVDR COMPANY LIMITED	20,328,392	1.715
4	MR. YANYONG PHATRALAOHA	9,937,135	0.838
5	BBHISL NOMINEES LIMITED	8,086,000	0.682
6	MR. KITTI PHATRALAOHA	6,721,230	0.567
7	MR. NARONG PHATRALAOHA	6,620,645	0.559
8	MS. WANNGAM KITTHANAMONGKONCHAI	5,330,000	0.450
9	NORTRUST NOMINEES LIMITED-THE NORTHERN TRUST COMPANY RE IEDU UCITS CLIENTS 10 PCT ACCOUNT	5,168,300	0.436
10	K MID SMALL CAP EQUITY RMF	4,201,200	0.354

(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:

1. AGC INC. (JAPAN) held a total of 696,663,509 shares, or 58.781 %, in the Company
2. PTT Global Chemical Public Company Limited holds a total of 296,038,689 shares, or 24.978 %, in the Company

(2) Holding Company
-none-

(3) 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% of consolidated financial statement's net profit after tax and allocation to all reserves funds of each fiscal year, such payment of dividend being subject to cash flow, investment plan of the Company together with all other conditions of necessity and suitability in the future.

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

Organization Structure

The Company's governance 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.

As of 31 December 2019, the Board of Directors comprises 11 directors as follows:

1. Mr. Kazuaki Koga ^{1/}	Director / Chairman of the Board of Directors / Chairman of the Nomination and Remuneration Committee
2. Mr. Wiboon Chuchepchunkamon	Director / Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee
3. Mr. Hiroaki Sano	Director / Managing Director / Member of the Business Advisory Committee
4. Ms. Duangkamol Settanung	Director / Chairperson of the Business Advisory Committee

5. Mr. Yoshihisa Horibe	Director / Member of the Business Advisory Committee
6. Associate Professor Dr. Danuja Kunpanitchakit ^{2/}	Independent Director / Chairperson of the Audit Committee / Member of the Nomination and Remuneration Committee
7. Mr. Pipop Pruecksamars	Independent Director / Member of the Audit Committee
8. Mr. Pote Videtyontrakich ^{2/}	Independent Director Member of the Audit Committee.
9. Mr. Andre van der Heyden	Independent Director
10. Mr. Masahiko Fukamachi	Director
11. Mr. Ryutaro Yamaki	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

MEETING OF THE BOARD OF DIRECTORS

- At the beginning of the year, the schedule of the Board meetings shall be set in advance to allow the directors to arrange their Calendar for attendance at 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 to give them 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, quorum will be achieved with the attendance of at least one half of the total number of directors in office.
- 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 all information enabling 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.

The record of Board of Directors meeting and committee meeting attendance for 2019 is as follows:

Meeting attendance / Total no. of meeting

Name	Board of Directors	Business Advisory Committee	Audit Committee	Nomination and Remuneration Committee	Annual General Meeting Year 2019
	Total 5 times/year	Total 5 times/year	Total 5 times/year **	Total 3 times/year	Total 1 time/year
1. Mr. Kazuaki Koga ⁽¹⁾	5/5	-	-	3/3	1/1
2. Mr. Narongsak Jivakanun	4/4 ⁽²⁾	-	-	2/2 ⁽²⁾	1/1
3. Ms. Duangkamol Settanung	4/5	5/5	-	-	1/1
4. Mr. Tadashi Hiraoka ⁽¹⁾	4/4 ⁽³⁾	-	-	-	1/1

5. Mr. Yoshihisa Horibe	5/5	5/5	-	-	1/1
6. Mr. Hiroaki Sano	5/5	5/5	-	-	1/1
7. Associate Professor Dr.Danuja Kunpanitchakit	5/5	-	5/5	1/1 ⁽⁵⁾	1/1
8. Mr. Pipop Pruecksamars	5/5	-	5/5	2/2 ⁽⁴⁾	1/1
9. Mr. Pote Videtyontrakich	3/5	-	3/5	-	0/1
10. Mr. Andre R. van der Heyden	3/5	-	-	-	1/1
11. Mr. Masahiko Fukamachi	5/5	-	-	-	1/1
12. Mr. Wiboon Chuchepchunkamon ⁽³⁾	1/1 ⁽⁶⁾	-	-	-	-
13. Mr. Ryutaro Yamaki	1/1 ⁽⁶⁾	-	-	-	-

(1) Directors whose residence are outside the Kingdom.

(2) Resigned from the member of Board of Directors and Nomination and Remuneration Committee effective from 22 November 2019; therefore the number of Board of Directors meeting is 4 times/year and Nomination and Remuneration Committee meeting is 2 times/year.

(3) Resigned from the member of Board of Directors effective from 22 November 2019; therefore the number of meeting is 4 times/year.

(4) Resigned from member of the Nomination and Remuneration Committee effective from 29 August 2019; therefore the number of meeting is 2 times/year.

(5) Appointed as the member of Nomination and Remuneration Committee effective from 29 August 2019; therefore the number of meeting is 1 time/year.

(6) Appointed as the member of Board of Directors, effective from 22 November 2019; therefore the number of meeting is 1 time/year.

(**) Total 5 times/year, including the annual meeting with Auditor

Committees

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

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

8.2 Management

As of 31 December 2019, the list of Management according to the definition of the SEC are as follow:

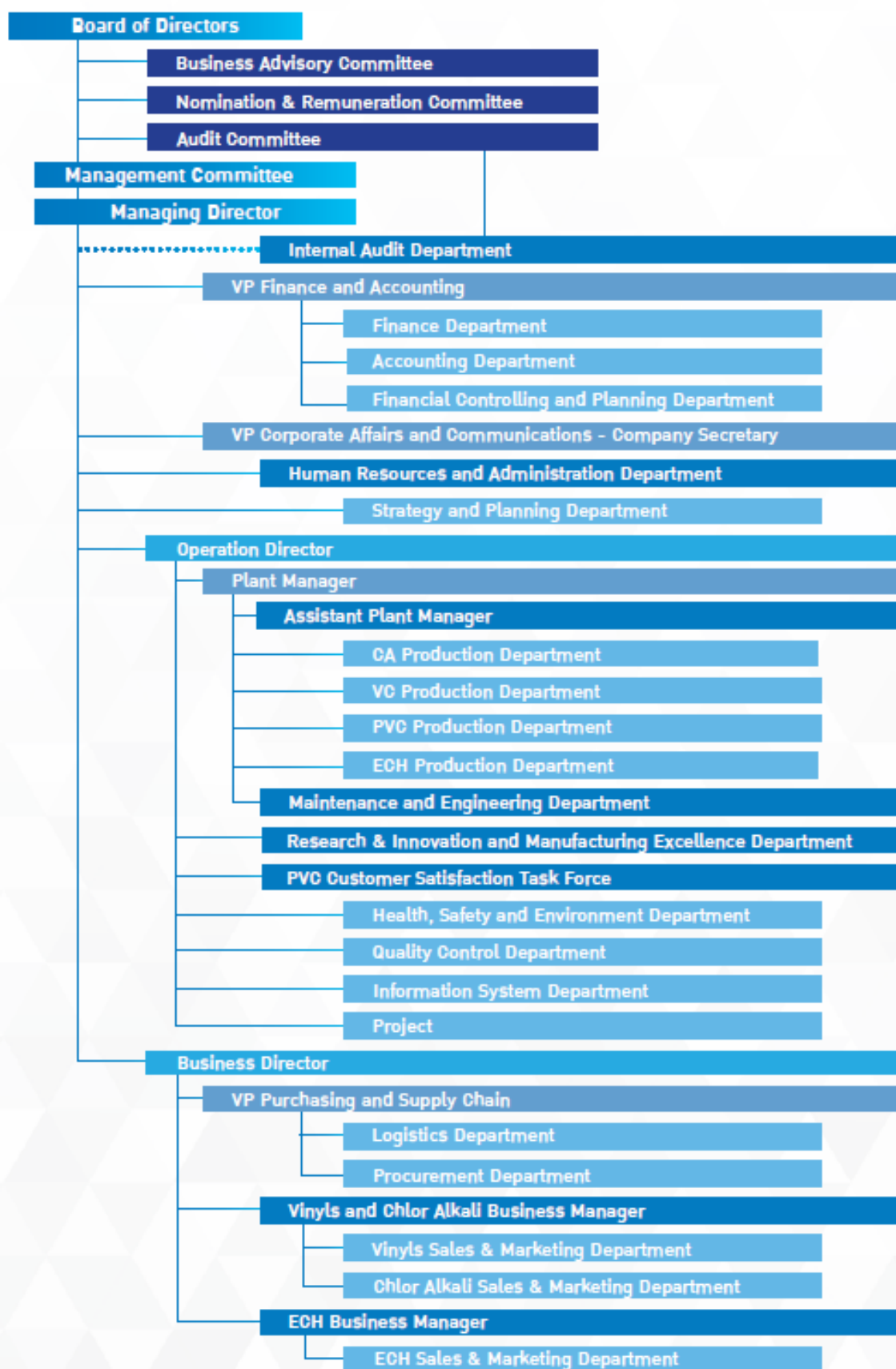
Management Committee

- | | | |
|----|-----------------------------|---|
| 1. | Mr. Hiroaki Sano | Managing Director |
| 2. | Mr. Masaki Takahashi | Business Director |
| 3. | Mr. Masaru Orihara | Operation Director |
| 4. | Mrs. Jamjuree Sirovetnukul | Vice President Finance and Accounting |
| 5. | Mr. Sompot Cheeranorawanich | Vice President Corporate Affairs and Communications - Company Secretary |
| 6. | Mr. Apichart Kijjarovanisal | Plant Manager |
| 7. | Mr. Boonchana Mangkonkarn | Vice President Purchasing and Supply Chain |

The persons supervising finance and accounting

- | | | |
|----------------------------|---|-------------------------------|
| Ms. Naddawan Triyawathanyu | : | Finance Department Manager |
| Mr. Kittipong Jamsak | : | Accounting Department Manager |

ORGANIZATION CHART OF VINYTHAI PUBLIC COMPANY LIMITED



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, and Empowered Persons).

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 2019, 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 2019, the shareholders approved remuneration for the Board of Directors in the shareholders' meeting, including bonus payments based on the operational results for 2018. The total remuneration for the Board of Directors amounted to 6,960,000 Baht, inclusive of a total bonus payment of 16,500,000 Baht. Details are as follows:

Unit: Baht/year

Name	Position	Remuneration	Bonus paid in 2019	Total Remunerations and Bonus
1. Mr. Kazuaki Koga	Director/ Chairman of the Board of Directors / Chairman of the Nomination and Remuneration Committee	840,000	1,500,000	2,340,000
2. Mr. Narongsak Jivakanun ⁽¹⁾	Director/ Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee	535,000	1,500,000	2,035,000
3. Ms. Duangkamol Settanung	Director / Chairperson of the Business Advisory Committee	780,000	1,500,000	2,280,000
4. Associate Professor Dr. Danuja Kunpanitchakit	Independent Director / Chairperson of the Audit Committee / Member of the Nomination and Remuneration Committee	780,000	1,500,000	2,280,000
5. Mr. Hiroaki Sano	Director / Managing Director / Member to the Business Advisory Committee	720,000	1,500,000	2,220,000
6. Mr. Yoshihisa Horibe	Director / Member to the Business Advisory Committee	720,000	1,500,000	2,220,000
7. Mr. Tadashi Hiraoka ⁽¹⁾	Director	321,000	1,500,000	1,821,000
8. Mr. Pote Videtyontrakich	Independent Director / Member to the Audit Committee	720,000	1,500,000	2,220,000

9. Mr. Pipop Pruecksamars	Independent Director / Member to the Audit Committee /	720,000	1,500,000	2,220,000
10. Mr. Andre van der Heyden	Independent Director	360,000	1,500,000	1,860,00
11. Mr. Masahiko Fukamachi	Director	360,000	1,000,000	1,360,00
Directors who were appointed during the year 2019				
12. Mr. Wiboon Chuchepchunkamon ⁽²⁾	Director/ Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee	65,000	-	65,000
13 Mr. Ryutaro Yamaki ⁽²⁾	Director	39,000	-	39,000
Directors who resigned during the year 2018				
12. Mr. Hiroaki Ono ⁽³⁾	Director	-	500,000	500,000
Grand Total		6,960,000	16,500,000	23,460,000

(1) Resigned from the Company's director effective from 22 November 2019

(2) Appointed as the Company's director effective from 22 November 2019

(3) Resigned from the Company's director effective from 25 April 2018

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 remuneration comprising total annual remuneration of 240,000 Baht for year 2019.

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 2018 remuneration for the 9 executives (as the definition of the SEC) was 66,542,839 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

Employees

As at 31 December 2019, total headcount is as follows

	Vinythai	Advanced Biochemicals (Thailand)
Map Ta Phut	469	0
Bangkok	45	0

Employees in each main working unit consist of

	Vinythai	Advanced Biochemicals (Thailand)
Managing Director Unit	12	0
Business and Administration	27	0
Production Unit	210	0
Production and Business Support Unit	265	0
Project and Construction Unit	0	0

Remuneration to Staff

In 2019, the total remuneration consisting of salary, bonus and other benefits, including provident fund scheme paid to employees is as follows:

	Vinythai	Advanced Biochemicals (Thailand)
Total Remuneration of employees (MTHB)	943	0

HUMAN RESOURCES

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

1) Vinythai Values its Employees

Vinythai values and respect equally all 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 promote the Company's objectives collectively and collaboratively without any 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 is strongly committed to the promotion and enhancement of the labor relations in the workplace by collaboratively working with the Welfare Committee, and the representatives of employees in the format of working groups and committees. By that way, the Company is developing trust and constructive relations between the employees, their representatives and the management. The employees are encouraged to have open dialogue between them, their representatives and the management to insure a mutual understanding and favorable relationships.

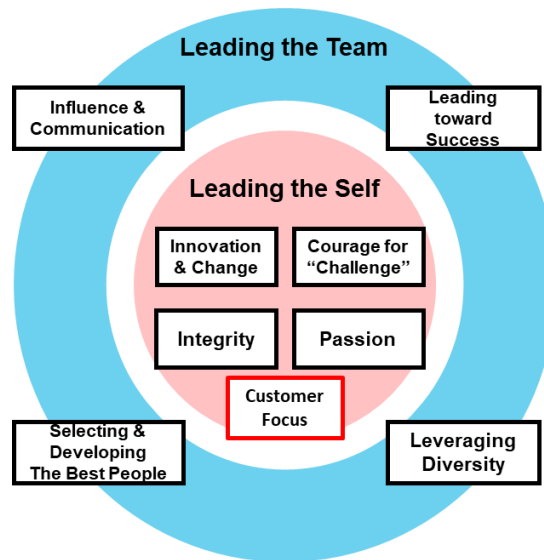
2) Develop Human Resources for the Future

The Company Objectives 2019 focused on developing human resources for the future. Vinythai offers great learning opportunities to our employees to support them to achieve their career objectives.

We initiated new **“Vinythai Competency Model”** to be a set requirements for Vinythai employees who are expected to demonstrate desired behaviors in line with Vinythai shared values, divided into 2 categories;

Leading the Self : Engender trust by exhibiting integrity, and is courageous to cope with crisis and overcome adversity. Exhibits curiosity and is a life long learner. Driven by an internal passion for the business, actively challenges to innovation and realizes changes with customer service orientation.

Leading the Team : Provides clear vision and goal of the team, communicates and overcome together with members toward the achievement. Maximize diverse talents and provides members opportunities for growth in order to enable them to fulfill potential in each of members. Builds consistent and substantial organization.



Based on this competency model, we formulated **Leadership and Management Development (LMD) Programs** delivering innovative learning programs & activities that develop the capabilities of our employees to ensure the Company's sustainability and growth and to foster the new Vinythai culture while responding to individual career aspirations.

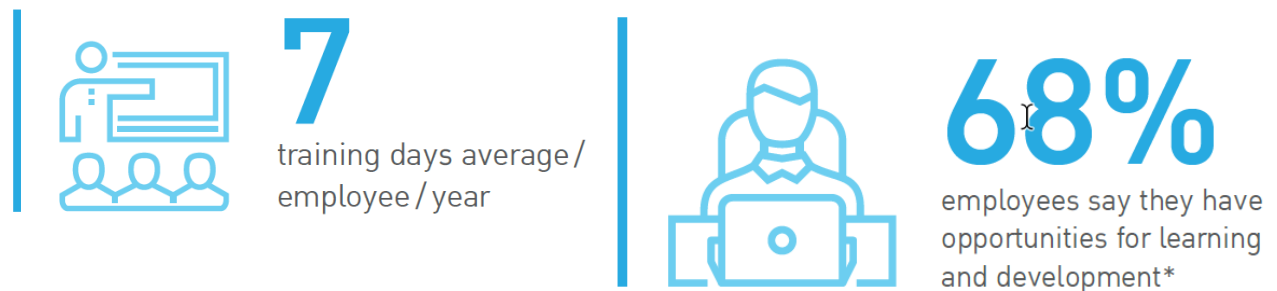
Our Leadership and Management Development Program in 2019 focused on strengthening our Performance Management System and Customer-Focused Culture. Both management and team leaders learned to form an effective team and individual objectives that directly supported and aligned with the organization objectives. Meanwhile, they were enable to deliver powerful performance plan and discussion that could engage and reinforce the team performance.

To respond to the Company objectives on increasing customer satisfaction, Creating Customer-Focused Culture has been introduced in parallel. The management and team leaders learned to build customer-focused organization, developed critical success factors and improved their service process. Ultimately, the good service culture brought about higher customer's satisfaction.

On the other hand, we enhanced the competency of our Sales and Marketing team to maximize the company competitiveness. We identified their functional competency, conducted assessment and set up Sales and Marketing Training Roadmap to close the competency gap.

In addition, as a part of TPM activity under Education & Training pillar (ET), the Skill Matrix of both industrial and non-industrial functions has been developing and will be completed in 2020 for all functions. Skill Matrix will be a tool to clearly and visibly illustrate the skills and competence held by individuals within a team. Skill Matrix identifies the skills that a job role requires, the skills of all individual employees, and any gap between the two, including the fulfillment of the gap.

In 2019, average training days per employees is 7 days. According to 2019 employee engagement survey, 68% employees say they have opportunities for learning and development.



3) We are Proud to Work at Vinythai

As we are working to create a corporate climate where highly-motivated employees can undertake challenges, the Employee Engagement Survey 2019 was launched in order to check the synergetic contribution of highly-motivated employees and the corporate climate of the company and link the finding of the survey to actions. 99% of employee participation rate in this survey is really a **“Reflection of Employees’ voices”**.

The overall employee engagement score represents the percentage of employees committed to the organization and willing to apply discretionary effort in their work. The results show our strong level of Employee Engagement at **67%** which has improved from year 2015 at 60%.



The Top three most favourable dimensions suggesting our strengths are

- **Clear and Promising Direction (90%)** represents the trust you have on the company’s direction and goals are the right ones and that it is making necessary changes to effectively compete; as well as the degree of your understanding of the linkage between your job towards the division/department’s and overall company’s objectives.
- **Quality and Customer Focus (89%)** is the degree that you seek to understand your customers’ needs and requirements and committed to delivering high quality products and services while aligning your behaviours to comply with the Code of Conduct. This dimension is genuinely a reflection of one of our core competencies - Customer Focus.

- **Employee Enablement (81%)** is the extent you are well matched to the role and who experience job conditions that support them perform to their full potential.

Other areas considered to be our “**Strength**” include **Authority & Empowerment (75%)** where employees feel they have enough authority to carry out job effectively and ideas are adopted and put into use; as well as **Work Efficiency (75%)** where we strive to create a safe work environment and to continuously improve to achieve objectives.

Further from the Survey, the Management team will be working together to identify the area for improvement and key measures in order to make Vinythai an even better workplace for everyone.



4) New HR Platform - HRnext

In 2019, Vinythai implemented new HR platform called “**HRnext**” in order to integrate HR technology bringing clear added value through innovation, mobile functionality, leveraging best practices, user-friendliness, strong analytical tools and customer-focused at effective cost.

We started in 2019 the implementation of Employee Central, Performance Management and Compensation modules with cloud-based solutions, and we will continue Learning Management and Time Management modules in 2020.

This is not just only the development of HR process and tools, but also long-term development of human capital. “HRnext” will support HR Management process and also internal customers (employee & Managers) with self-service tools. Simplifying Human Resources processes is another important step and is a great example of how we are aiming to be more employee-centric.

9. Corporate Governance

9.1 Corporate Governance Policy

The Board of Directors realizes 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.

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 observes the international guidelines and consistently improves 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 are 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 arranges 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.

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

As of 31 December 2019, the Business Advisory Committee comprises the following members:

- | | |
|------------------------------|-------------|
| 1. Miss Duangkamol Settanung | Chairperson |
| 2. Mr. Yoshihisa Horibe | Member |
| 3. Mr. Hiroaki Sano | Member |

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

(Please see the more details in our website:

<http://www.vinythai.co.th/media//www/index/40146491535360231.pdf>)

(Business Advisory Committee Charter on page 29-33)

(2) The Audit Committee

As of 31 December 2019, the Audit Committee comprises the following members:

- | | |
|--|-------------|
| 1. Associate Professor Dr. Danuja Kunpanitchakit | Chairperson |
| 2. Mr. Pipop Pruecksamars | Member |
| 3. Mr. Pote Videtyontrakich | 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 Associate Professor 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.

(Please see the more details of Audit Committee Charter in our website:

http://www.vinythai.co.th/media/file/ACChaaterRev-Eng_JUL2018_Final@Sep2018.pdf)

(3) The Nomination and Remuneration Committee

As of 31 December 2019, the Committee comprises of existing members as follows:

- | | |
|--|----------|
| 1. Mr. Kazuaki Koga | Chairman |
| 2. Mr. Wiboon Chuchepchunkamon | Member |
| 3. Associate Professor Dr. Danuja Kunpanitchakit | Member |

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

(please see the more details in our website:

<http://www.vinythai.co.th/media//www/index/40146491535360231.pdf>)

(Nomination and Remuneration Committee Charter on page 40-44)

9.3 Nomination and appointment of Director 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 of 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 are 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 meets all requirements 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 meeting all 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 and 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 paid the audit fee to the auditor in the past fiscal year in the amount of THB 2,060,000.-

(2) Non-Audit Fee

The Company paid the non-audit fee for corporate income tax review and other services in the past fiscal year in the amount of THB 1,675,000.-

9.7 Implementation of the Principles of Good Corporate Governance year 2017 for Listed Companies

The Company has reviewed the Corporate Governance Policy, based on the Principles of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand, and the Corporate Governance Code for Listed Companies 2017 of the Office of Securities and Exchange Commission. The Company has adopted those principles for implementation and has proposed to the meeting of the Board of Directors No. 1/2020 on 21 February 2020 for acknowledgement. The Board of Directors has considered and reviewed the Corporate Governance Code by means that are suitable to the Company's business. The Company is in the process of reviewing and updating the principles of Good Corporate Governance to cover and keep up with rapid development of Good Corporate Governance and to raise the standard and practice of good corporate governance.

9.8 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 SET'S 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 21, 2019 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.
- 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 35 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.

On the AGM Day (25 April 2019)

- 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 of Directors and Chairman of the Nomination and Remuneration Committee, Vice Chairman of the Board of Directors, Managing Director, Chairperson 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 assigned the Managing Director to be the 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 MHN Company 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. 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.
- Each year, the Company arranges the activities for Shareholders to visit the Plant and participation of the Coral Cultivation, 80,000 branches, for His Majesty the King project to support the growing corals with PVC pipe

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. The training courses which have been provided to the employees are as follows:

1. ISO 14001:2015 - Environment Aspect
 2. VOCs Inventory and Fugitive Management
 3. Water Pollution Operator
 4. Air Pollution Operator
 5. Industrial Waste Operator
- 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.

4. Disclosure of Company Information

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 shared 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 from time to time. In this

way, shareholders can find information about the Company's major shareholders prior to the shareholders' meeting.

- **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 2019 and changes from the past year is as follows:

- *Directors: None of Directors holding the company's share*
- *Management: There are 9 managements (as the definition of the SEC) but there is only one holding the company's share*

	as at 31 December 2018			as at 31 December 2019			
Name	Number of shares held by (a) director or management	Number of shares held by (a) related person(s)	total	Number of shares held by (a) director or management	Number of shares held by (a) related person(s)	total	Change: increase / (decrease)
1. All Directors (11 Persons)	-	-	-	-	-	-	-
2. Mr. Sompot Cheeranorawanich Vice President Corporate Affairs and Communications - Company Secretary	3,990.00	-	3,990.00	3,990.00	-	3,990.00	-

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

2019, the Company recorded 30 visits by investors and analysts as follows:

Type of Visit	No. of visits	No. of companies
One-on-One Meeting	30	7

Investors may request any information from the Company at Tel. 0-2030-6800 or Fax. 0-2030-6801-2, e-mail at jamjuree.sirovetnukul@agc.com or mailing address at Vinythai Public Company Limited, No. 11 Q. House Sathorn Building, 18 th Floor, South Sathon Road, Khwaeng Thung Maha Mek, Khet Sathon, Bangkok 10120 Thailand

- **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. 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.

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

- Audit Committee, <http://www.vinythai.co.th/en/home/3/Contact%20us/2/>
- The Company's website, www.vinythai.co.th (Contract us)
- AGC Global Helpline : <https://whistle.jp/AGC/>
- AGC Thai Helpline : thai.helpline@agc.com
: telephone +81 3-3218-5745 ext. 11-5745
- VNT Helpline : nathawat.tirawatnangkoon@agc.com
: telephone 0-2030-6867

- **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.

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, AGC Inc. (Japan), 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.

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. In addition, the company has improved the Charter on Corporate Governance and Code of Conduct.

(see the details at :

<http://www.vinythai.co.th/media//www/index/40146491535360231.pdf>, or
<http://www.vinythai.co.th/media//www/index/38124161522392257.pdf>)

The Board of Directors takes overall responsibility for the following:

- 1) Endorse the vision, goals and strategies of the Company every year, 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.

The material approval authorities of the Board of Directors are for example:

1. Approval of major investment, takeover or sale of business including the acquisition and disposal of asset, related party transaction in accordance with the regulation of the office of the Securities and Exchange Commission and the Stock Exchange of Thailand

2. Appointment, withdrawal and authorization of duties to the sub-committees including the appointment of directors during the year, appointment of specific committee, the determination of names of director who can sign to bind the company
3. The appointment of the company secretary in accordance with the Securities and Exchange Act
4. The approval of vision, goal, strategy and policy for the operation of the company
5. Approval of the establishment, merger and acquisition of subsidiaries
6. Approval of the open and close of accounts and implementation of company's normal business accounts with banks or financial institutions
7. Approval of the institution, conduct, prosecution, settlement, compromise and defense of any action or other legal proceeding including the appointment of a lawyer whatsoever necessary to sustain the interest of the company for both civil and criminal cases
8. Approval of entering into the major contracts of the Company

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.

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 Board of Directors approved and reviewed the self-assessment form for accuracy, completion, and compliance with the criteria set forth.
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 2019, 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

With Vinythai's mission "**Vinythai, the first choice in chlor-alkali and biochemicals for better living and sustainability**" is indispensable to the Company's mid- and long-term business plans. As such, its corporate social responsibility ethic is commensurately strong, requiring all management and staff, including all stakeholders, internally and externally, to be actively involved in relevant measures.

Corporate Social Responsibility Policy

The Board of Directors' Engagement in Social Responsibility Practices

The Vinythai Board of Directors' engagement in SR practices exists at the policy and management levels. The Board of Directors overviews the previous years' operations and results, including gives suggestions on needed improvements. Additionally, the Management adopted and participated in the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) which is coordinated by the Thai Institute of Directors (IOD).

The Board of Directors' engagement in this SR process contributes greatly to the accomplishment of the sustainability goals set according to its economic, environmental, social, and cultural responsibilities.

Integrated Management System Policy

Vinythai Group aims to be a sustainable development reference. As such it applies management system excellence practices and adheres to these key principles;

- **To make safe and healthy working conditions the first priority** in every activity involving employees and contractors while always striving to maintain the prevention of occupational disease and the zero accident target.
- **To promote and increase satisfaction for our customers** through the quality of related products and services.
- **To integrate environmental principles** into daily activities by environment protection and consistently reducing the impacts of our businesses in term of energy consumption, natural resource & resource consumption, emission reduction and prevention, including product life cycle perspectives,
- **To comply with all applicable legal requirements, business codes of conduct,** and other rules and regulations to which the Group subscribes, both internally and externally,
- **To commit to continual improvement, risk-based approaches and preventive principle, and best practices** via established management tools and processes, including innovation & suggestion, knowledge management, excellence programs, and sustainable development program,

- To enhance employee engagement and foster the Teamwork practices in order to support a happy work place,
- To enhance and deliver satisfaction to the Group's key stakeholders - customers, employees, suppliers or external providers, communities, and investors.

Progressive Sustainable Development

Vinythai adheres to ISO 26000 Social Responsibility guidelines in implementing the principle dimensions of its corporate responsibility strategies; economic, societal, environmental and cultural. Meeting the needs and expectations of the Company's six key stakeholders and incorporating pertinent provisions into its plans are the strategy's primary focus. With customers, employees, the planet, investors, suppliers, and communities alike, the main objective is to support business growth while providing solutions to stakeholders, not least by acting with social responsibility and minimizing environmental impacts. Relevant action plans are established, monitored and reported by the owner(s) of each area.

Each year, based on stakeholders' needs and expectations and company strategies, senior management identifies and reviews materials sustainability issues in the context of corporate social responsibility. Each concerned area establishes targets and deploys action plans for achieving expectations. Monitoring and reporting continue to be managed during the year. Most recently, Vinythai reconsidered its initiatives in support of its Sustainable Development Goals (SDGs) and, after due reflection, extended them.

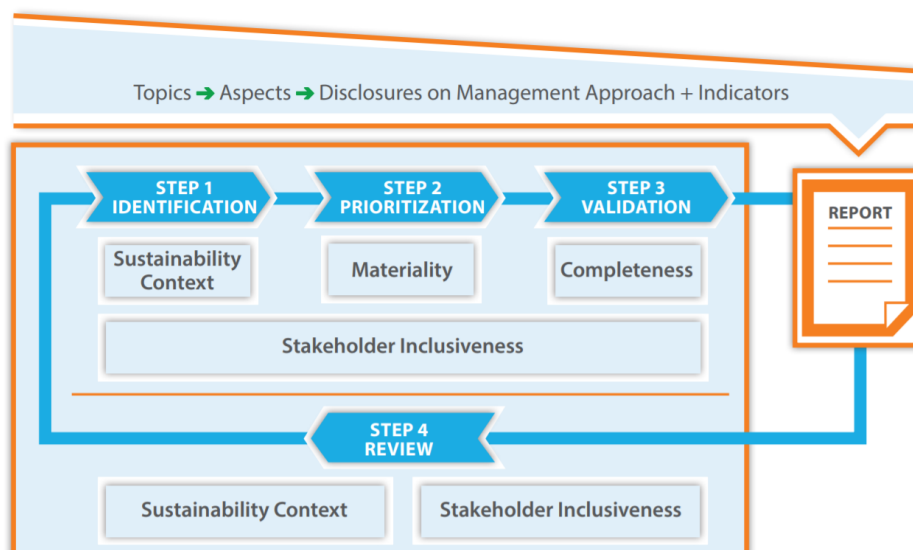
Material Sustainability Issues

Vinythai established materials for sustainability issues based on the significance and relevance of topics according to ISO 26000 methodology and reported its sustainability performance accordance with The Global Reporting Initiatives Reporting Framework Version G4, GRI G4. Linkages between prioritized topics, ISO 26000 Core Subjects and issues can be illustrated as follows:

Matrix of CSR Issues Relating to Vinythai

ISO 26000 Items		Vinythai's High Material Issues	Stakeholders
Core Subjects	Issues		
Organizational Governance	Decision-making process and structures	Organizational governance	Investors
Human Rights and Labor Practices	Working conditions and social protection	Working conditions and social protections	Employees
	Health and safety at work	Occupational health & safety	Employees
	Human development and training in the workplace	Human resources development	Employees
The Environment	Prevention of pollution	Prevention of pollution	Planet
	Sustainable resource use	Sustainable use of resources	Planet
	Climate change mitigation and adaptation	Response to climate change	Planet
Fair Operating Practices	Fair competition	Compliance with antitrust and related laws	Suppliers
	Promoting social responsibility in value chain	Social responsibility in the supply chain	Suppliers
Consumer Issues	Protecting consumers' health and safety	Product safety	Customers
	Consumer service support and complaint	Customer satisfaction	Customers
Community Involvement and Development	Community involvement	Engage with the community & government agencies	Communities

Thus, Vinythai defines the content and boundaries of its material aspects based on GRI G4's methodology as follows;



Defining Material Aspects and Boundaries Process Overview

Source: Reporting Principles and Standard Disclosure, GRI Sustainability Reporting Guidelines, 2015

Vinythai's Materiality Matrix

High Priority (material issue) Low Priority ISO 26000 Core Subject

Influence on Stakeholder Assessments and Decisions	High	<div> <div></div> <div></div> </div>		Organizational Governance <ul style="list-style-type: none"> Organizational governance
	Low			Human Rights & Labor Practices <ul style="list-style-type: none"> Working conditions and social protections Occupational health & safety Human resources development
		Low	High	The Environment <ul style="list-style-type: none"> Pollution prevention Sustainable use of resources Response to climate change
				Fair Operating Practices <ul style="list-style-type: none"> Compliance with antitrust and related laws Social responsibility in the supply chain
				Consumer Issues <ul style="list-style-type: none"> Product safety Customer satisfaction
				Community Involvement and Development <ul style="list-style-type: none"> Engage with communities and government agencies
				Significant Impact on Economy, Environment, and Society

Responsible Practices Initiatives Relating to Materials Issues

Vinythai Sustainability report 2015 - 2018 was published in September 2019, at <http://bit.ly/2RL5fWB>

The progress of major activities relating to Materials Sustainability Issues in 2019 are as following;



Organizational Governance

Organizational Governance			
Target 2019 - 2021	Implement effective and efficient operation: <ul style="list-style-type: none"> Assign authorities and responsibilities in the organization; Promote integrity and ethical values to prevent bribery and corruption; Continue operations with PDCA according to ME <i>Plus</i>. 	Continue to promote compliance:- Promote and implement antitrust laws and code of conduct: <ul style="list-style-type: none"> Conduct compliance and code of conduct training; Continue Information Security Management System. 	Continue to ensure effective communications: <ul style="list-style-type: none"> Use a variety of communication tools to disseminate the Company's vision, mission and shared values; Promote dialogue with shareholders, disclose and disseminate information about management policy and business performance at investor briefings and general shareholder meetings by the Managing Director.
Progress of major activities in 2019	<ul style="list-style-type: none"> Organized Code of conduct awareness training to all employee; Organized the internal control awareness session for all departments & performed the internal audit by AGC internal audit team; Maintained the internal control over financial reporting (J-SOX) and performed audited by AGC internal audit and external auditor, respectively; Reviewed risk management programs annually; Maintained ME <i>Plus</i> program. 	<ul style="list-style-type: none"> Implemented internal audit program and comply with antitrust laws; Maintained Information Security Management System to prevent leakages of confidential information and secure data credibility. 	<ul style="list-style-type: none"> Communicated to shareholders through general shareholders' meeting, shareholders' factory visit, annual report and sustainability report regularly; Communicated the Company policy and objectives to all employees as planned.

Human Rights and Labor Practices

Human Rights and Labor Practices			
	Working Conditions and Social Protection	Occupational Health & Safety	Human Resources Development
Target 2019 - 2021	Respect employees' human rights and guarantee their social rights: <ul style="list-style-type: none"> Continue to comply with local laws and regulations; Continue HSE Committee and welfare Committee activities as employee representatives; Annual code of conduct awareness training for employees. 	Ensure employee health & safety: <ul style="list-style-type: none"> Maintain control of risks associated with occupational exposures; Promote health and well-being at work; Prevent occupational safety accidents by rigorously implementing the safety excellence program; Continue BMI competition. 	Develop employee skills training program: <ul style="list-style-type: none"> Vinythai's training roadmap is designed to sustain development of employee competency and expertise; Implement Industrial academy training program; Roll out leadership and management development program (competency-based training); Sales & Marketing Academy to be initiated in 2019; Employee Engagement survey in 2019; Continue innovation and suggestion program.
Progress of major activities in 2019	<ul style="list-style-type: none"> Conducted HSE Committee & welfare committee's meeting as planned; Organized Code of conduct awareness training to all employee. 	<ul style="list-style-type: none"> Conducted survey risks associated with occupational exposures; Conducted Process Safety Management External assessment & submitted report to IEAT in Aug-19; Conducted SHE survey (BBS, Ergonomic, Equipment safety, PPE) in 4 pilot areas with correction; Maintained 2nd year BMI competition and awards. 	<ul style="list-style-type: none"> Industrial Academy and Sales & Marketing Academy was implemented and on going; Leadership & Management Development program was rolled out across organization; Skill Matrix development is on progress; Employee Engagement Survey 2019 was conducted with improving engagement index from 61% to 67%.

Environment

The Environment			
	Prevention of Pollution	Sustainable Use of Resources	Response to Climate Change
Target 2019 - 2021	Continue pollution reduction measures: <ul style="list-style-type: none"> • Maintain ISO 14001: 2015; • Continue factory waste reduction; • Continue air pollution and effluent monitoring; • Continue Eco Factory program per Federation of Thai Industries' guideline. 	Optimize main raw materials and utilities consumption: <ul style="list-style-type: none"> • Manage Salt, Ethylene and Glycerin sourcing; • Continue system ramp-up (recycle condensate & brine); • Resume available H2 consumption after equipment correction. 	Continue energy conservation and GHG emission reduction program: <ul style="list-style-type: none"> • Continue energy conservation by Energy Committee; • Process optimization at refrigeration unit; • Replace R22 air conditioners in each building through 2024.
Progress of major activities in 2019	<ul style="list-style-type: none"> • Maintained ISO 14001: 2015 and environment monitoring program; • Implemented waste storage improvement project and maintained the zero landfill principal; • Received Environmental Governance award (Green star); • Received Certificate for eco-industrial town support. 	<ul style="list-style-type: none"> • Maintained sourcing and set long term contracts with Salt, Ethylene and Glycerin vendors, including electricity and steam; • Implemented equipment improvement project which could save electricity and steam; • Continued reduce number of truck journey by optimizing transport and logistics efficiency; • Maintained the condensate (steam) & brine recycle; • Maintained H2 utilization (use instead of natural gas). 	<ul style="list-style-type: none"> • Continued the energy conservation program by Energy Committee to closely monitoring of specific energy consumption; • Started steam traps replacing project for steam saving and replaced Fluorescent to LED tube in each building for energy saving; • Recertificated carbon footprint and carbon reduction for company products.

Fair Operating Practices

Fair Operating Practices		
	Compliance with Antitrust and Related Laws	Social Responsibility in the Supply Chain
Target 2019 - 2021	<p>Reinforcement of antitrust law and code of conduct training:</p> <ul style="list-style-type: none"> • Train employees in the fundamentals of antitrust laws and fair trade practices; • Train all management and staff in code of conduct and anti-corruption policy annually to maintain awareness. 	<p>Promote social responsibility in the supply chain:</p> <ul style="list-style-type: none"> • Transport safety, energy saving, CO₂ reduction; • Supplier management; complaints channel, waste management, and using goods and services that are environmentally-friendly; • Supplier survey and feedback.
Progress of major activities in 2019	<ul style="list-style-type: none"> • Provided refresher training antitrust laws and fair trade practices to all employees; • Provided code of conduct and anti-corruption policy training to all management and staff and continued to promote internally to raise their awareness. 	<ul style="list-style-type: none"> • Maintained transporter awards, training, truck inspection, rush hour road program; • Applied on-line fatigue and distraction detectors to PVC bulk trucks, Caustic Soda trucks, ECH ISO tank to avoid driver drowsiness and distraction while driving; • Received feedback via Supplier management, complaints channel.

Consumer Issues

Consumer Issues		
	Product Safety	Customer Satisfaction
Target 2019 - 2021	<p>Control product related risk:</p> <ul style="list-style-type: none"> Continue product stewardship program; Manage "Substance of Very High Concern" (SVHC) for the marketed products; Monitor SDS distribution for commercial products. 	<ul style="list-style-type: none"> Continue customer visits and customer relationship management program; spread product awareness; Make improvements indicated by customer satisfaction survey; Continue PVC Customer Satisfaction Task Force.
Progress of major activities in 2019	<ul style="list-style-type: none"> Tracked and evaluated regulatory compliance of products. Upgraded all product safety data sheets and distributed them to all customers as well as identified the process to ensure they are up-to-date. Systematically identified and managed Substance of Very High Concern. Trained the Europe chemical regulation (REACH) to concerned persons. 	<ul style="list-style-type: none"> Customer visited and communicated product awareness as planned; Finished customer satisfaction survey in 2019 & set the improvement actions; Continued "PVC Customer Satisfaction Task Force" to respond to customer requests, maintain customer trust and develop new product grades to meet customer needs.

Community Involvement and Development

Community Involvement and Development			
Engagement with Communities and Government Agencies			
Target 2019 - 2021	Continue to engage with communities and promote positive perceptions among locals: <ul style="list-style-type: none"> Regularly visit and participate in community events; Encourage more than 200 Vinythai volunteers to participate in community events during the year; Invite communities to visit the Company's plant and participate in CSR activities on Open House Day; Provide information about Vinythai's business and CSR initiatives and activities. 	Continue to support education inside and outside the classroom: <ul style="list-style-type: none"> Enhance youth knowledge with learning activities outside the classroom; Provide scholarships for local students. Continue to enhance information about marketing and product improvement for community enterprise members; Leverage the quality of Mab Kha - Mab Nai community enterprise products to be on par with the Thai government's OTOP standard; Extend development support to one community enterprise every year. 	Continue to engage with academic institutes and government offices: <ul style="list-style-type: none"> Participate in government activities and support information about legal and regulatory drafting processes and matters relating to safety and the environment; Share information about PVC and petrochemical production with universities and concerned government offices.

<p>Progress of major activities in 2019</p>	<p>Continue to engage with communities and cultivate positive perceptions among locals:</p> <ul style="list-style-type: none"> Regularly visited and participated in community events and activities; Organized or supported events for communities in 2019, such as coral cultivation activity, annual robe presentation, Noenphra Vinythai super mini-marathon and Songkran festival; Around 440 locals from 38 communities, 4 community enterprises and 5 fisherman groups visited the plant and joined CSR activities on Open House Day; Vinythai's business and CSR activities were promoted via brochure, website, news release, banner and presentation. 	<p>Continue to support education inside and outside the classroom:</p> <ul style="list-style-type: none"> Over 6,000 students joined the Company's Marine Science Camps; Collaborated with Map Ta Phut Public Relations Club in music contest to unleash students' potential outside the classroom; Provided scholarships to students from 38 communities. <p>Continue to enhance information about marketing and product improvement for community enterprise members:</p> <ul style="list-style-type: none"> Provided training for Mab Kha-Mab Nai community enterprise members Participated in Thammasat Model project in leveraging Nong Fab community enterprise's marketing knowledge and strategies. 	<p>Continue to engage with academic institutes and government offices:</p> <ul style="list-style-type: none"> Supported information for drafting laws and regulations, trade negotiations, safety and environment by various government agencies; Joined the draft of the National management plan in accordance with the Stockholm Convention; Organized special lectures for science and engineering undergraduates at relevant universities; Collaborated with the Aquatic Resources Research Institute of Chulalongkorn University in coral cultivation by using PVC pipes.
---	---	--	---

Economic Responsibility

In terms of economics, the Company understands that its customers, employees, investors and suppliers are directly connected with its operations. As such, the Company's management stresses rigorous organizational management, continually enhanced by ongoing programs. Areas covered include organizational governance, risk management, business continuity management, internal control, internal audit, compliance, and code of conduct. Organizational management and associated programs thereby constitute infrastructure and frameworks on which to base further development of good corporate governance.

Managing economic sustainability continuously

In 2019, Management reviewed the Company's sustainability goals and developed plans in line with its vision and mission. At the same time, the Company assessed enterprise risk that may pose obstacles to smooth business operation performance and targets.

Vinythai has rigorously adhered to good corporate governance principles since its inception. The Company established sustainable good corporate governance guidelines, based on its Corporate Governance Charter, which reflect regulations concerning structure and practices of the Board of Directors, Management, Employees and Shareholders.

The Company believes that corporate governance practices increase management efficiency, strengthening both short- and long-term competitiveness and earning the confidence of investors, financial institution and businesses allied with the company. Thus the results of these practices are beneficial to all stakeholders while perpetually supporting balanced and sustainable social conditions and a healthy environment. The Company also prioritizes Business Continuity Management in case of unexpected events such as natural disasters, system program failure and protest. In 2019, the Company reviewed its Business Continuity Plans as to ensure in providing products and services to its customers as per contract when disaster occurrence, including surmounting difficulties as they might arise.

The Company was annually evaluated by the Corporate Governance Report of Thai Listed Companies and has been received at "Very Good Level" for 13 consecutive years.

Management Systems

Every year, department heads set the integrated management objectives, targets and actions to achieve the targets. Performance is monitored and progress is periodically reported to senior management, and communicate to staff via intranet and on boarding.

Management Standards

The Company has gained certifications as follows:

- ISO 9001:2015 certification, assessed by Bureau Veritas Certification Thailand, since 1997
- ISO 14001:2015 certification, assessed by Bureau Veritas Certification Thailand, since 1999
- OHSAS 18001:2007 certification, assessed by Bureau Veritas Certification Thailand, since 2001
- ISO/IEC 17025:2017 Laboratory accreditation, certified by the Thai Industrial Standards Institute (TISI), since 2004
- GMP certification & HACCP certification of caustic soda, assessed by Bureau Veritas Certification Thailand, since 2014
- Roundtable on Sustainable Biomaterials (RSB) certified by Global Services Company, USA, since 2015
- Carbon Footprint Label issued by the Thailand Greenhouse Gas Management Organization (TGO) for carbon dioxide emission reduction during production of PVC suspension, PVC emulsion, sodium hydroxide, and intermediate products, namely, vinyl chloride monomer, ethylene dichloride and epichlorohydrin, since 2011
- Green Building Council of Australia (GBCA) - Green Star Credit Best Practice Guidelines PVC, as assessed by Lloyds Register Quality Assurance Limited, since 2014



Management Systems & Products Certification

Management Systems

- ISO 9001, ISO 14001, OHSAS 18001: BUREAU VERITAS Certification
- GMP & HACCP: BUREAU VERITAS Certification
- ISO/IEC 17025: TISI
- ECH product: Roundtable on Sustainable Biomaterials (RSB) 1413, KOSHER

Products

Caustic Soda product (32% & 50%)

- 32%: FDA Manufacturing License, TIS 150-2549, HALAL, KOSHER
- 50%: (food additive), TIS 150-2549, HALAL, KOSHER

PVC product

- TIS 632-2551, greenstar, Green Building Council of Australia, Green Star credit

Others



Product Licenses

The Company has gained the following recognitions and certifications:

- Thai Industrial Standards Institute license to display a Standard Grade stamp on PVC piping resin
- Thai Industrial Standards Institute license to display a Quality Level 1 stamp on 32% & 50% sodium hydroxide
- Food and Drug Administration (FDA), Ministry of Public Health, Thailand, license to display an FDA stamp on 32% & 50% sodium hydroxide food additive
- A Central Islamic Committee of Thailand license to display a Halal stamp on 32% & 50% sodium hydroxide food additive
- Thai Kashrut Services Ltd., Jewish Community of Thailand, certification to display a Kosher stamp on caustic soda product
- Thailand Greenhouse Gas Management Organization (TGO) license to display a carbon reduction label for Hydrogen

In 2019, Vinythai successfully re-certificated its Occupational Health and Safety Management System, OHSAS 18001:2007. To ensure effective implementation of the Integrated Management System, the Company's Management System Auditor audited the Company's performance and applicable product standards. The audit indicated satisfactory performances throughout.

Customer Satisfaction Survey

In monitoring and measuring customer satisfaction with respect to its PVC, caustic soda and finished products, the Company continuously performs several surveys both domestic and international customers in collaboration with independent agencies. Feedback from the surveys is used to develop marketing plans tailored to individual customers and market trends. Implementation of the plans further strengthens the Company's business dynamic going forward. In 2019, our overall customer satisfaction was at very high level, the survey result showed more than 80% in all businesses, reflecting our continuous improvement and strong commitment to be a trusted and innovative partner for our customers.

Yearly customer visits indicated consistently high levels of satisfaction. All issues raised have been properly managed and resolved and Vinythai remains committed to continuing to raise its customer satisfaction levels in each area in the coming year and beyond.

Similar surveys conducted inside the company aim to further enhance internal customer satisfaction. Essentially, the internal survey scrutinizes laboratory production testing services, maintenance & engineering services, production, warehousing, and other areas, with a view to streamlining processes and improving efficiency.

Furthermore, in 2019 the company continue "PVC Customer satisfaction Task Force" to respond to customer requests, maintain customer trust and to develop new grade products as needs by customers.

EcoVadis Recognition Level

In 2019, Vinythai is 2nd time rated Gold for Sustainability by EcoVadis, a worldwide accepted business sustainability rating company.



There are 4 topics for assessment which are Environment, Labor & Human Rights, Integrity, and Sustainable Procurement. Vinythai could reach a high score at 72 from 100 in 99th percentile.

Environmental Responsibility

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

- 120 Vinythai members and their families in collaboration with Map Ta Phut Industrial Estate Authority, 28 industrial enterprises and communities, enthusiastically participated in the 16th International Coastal Cleanup along 11.5 kilometers of Mae Rumphueng Beach.
- MoU Signing Ceremony for Collaboration in Marine and Coastal Resources Conservation was held on 26 April 2019 among Department of Marine and Coastal Resources; National Parks, Wildlife and Plant Conservation Department; Rambhai Barni Rajabhat University; Aquatic Resources Research Institute, Chulalongkorn University; Marine Science Activity and Conservation Foundation supported by Vinythai Plc. and Vinythai Plc.
- Around 200 employees and their family members from AGC subsidiaries in Thailand jointly showed their synergy in coral cultivation activity on AGC CSR DAY
- The coral cultivation project was established in 2 new areas: Ko Kood in Trad and Ko Sichang in Chon Buri. In 2019, there were around 16,200 people participating in coral cultivation activities.

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 society and environment which are

- 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.

The aim of mutual benefit and harmony between the Company's industrial activities and society is further enhanced as follows:

1. Health and Safety

1.1 Company's Product Stewardship

Vinythai and its subsidiary manages risks ensuring safety across the full product lifecycles. Risks include the possibility of injury or health impact to third parties or damage to their property arising from the use of products resulting from inappropriate use in a customer's plant or application for which the products are not designed.

The Company characterizes and manages risks related to the uses and applications of its products, and prioritizes mitigation actions relating to potential inappropriate use. Stewardship programs give adequate information and technical assistance to customers, ensuring a good understanding of safe use and handling.

Product stewardship management system

Vinythai's Product Stewardship Management System has been updated to consider new regulatory requirements and additional potential risk causes. The process ensures that health, safety, environment, regulatory, legal, supply chain, and commercial risks associated with a product's manufacture, distribution, and sale are identified, prioritized, reviewed, and managed.

The key achievement for 2019 is the prioritization of the necessary risk assessments of the Company's products and the more systematic deployment of risk assessments for sensitive product applications.

The product stewardship management system used includes the following requirements:

- regulatory compliance management for all products and applications;
- product safety management (composition and hazard information, intended uses and exposure, risk assessment, value chain communication, management of change);
- requirements to establish improvement plans to continuously improve the existing management system.

Communication and labelling of hazardous substances:

- Approach for **substances of very high concern (SVHC)** among products and raw materials
- Assess the adequacy of laws, regulations and standards regarding health and avoid the use of harmful chemicals in product development. If such chemicals must be included, products should be **clearly labeled**
- Assess and **disclose information** regarding human health risks before the introduction of new materials, technology or production methods
- **Convey vital safety information** to consumers using symbols
- **Provide consumers with instructions** regarding proper use of products and warnings about the risks that use may entail

Safety Data Sheets (SDS) authoring and distribution

In 2019, the Company upgraded the Safety Data Sheet of all products and distributed them to all customers. The SDS clearly explains the components, characteristics, dangers, usage, storage, disposal, and guidelines in case of physical contact or emergency. The sheets are created in compliance with the relevant laws, regulations, and international standards such as the Global Harmonized System of Classification and Labelling of Chemicals (GHS) regarding chemical product classification and labeling.

Compliance with REACH and other regulations

The Company has updated the Global Harmonized System classification of its products based on data and knowhow collated in the context of REACH.

The Company continues to adapt to emerging new product regulations in other countries, in particular in terms of the emergence of REACH-like regulations in non-EU countries, notably including Korea and Turkey.

1.2 Health and Safety Projects

In 2019, the company implemented the following projects notably;

- In collaboration with Noenphra Municipality and communities, Vinythai organized the 10th Noenphra-Vinythai Super Minimarathon for the HRH Princess Soamsawali Cups. The event involved over 4,000 participants. The ongoing project is acclaimed for encouraging 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. The objective of this project is to ensure that locals and 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, around 440 locals from 38 communities, 4 community enterprises and 5 fisherman groups in Map Ta Phut visited Vinythai's plant to learn how it applies rigorous quality, health, safety, environment and social measures to its production. Questions raised and suggestions made were answered and noted in a spirit of helpfulness and transparency.

2. Educational Support for Youths

- Scholarships were presented to the selected children in 38 communities.
- 40 students from Wat Chong Samaesan school were widened their horizon in marine and coastal resources at Sea Life Bangkok, Siam Paragon Shopping Complex, Bangkok.

3. 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, traditions and national days of Thailand. In 2019, the company cooperated with surrounding communities to fund and organize the annual ceremonial presentation of robes at Soi Khiri temple. Other examples include 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 and Her Majesty the Queen's Birthday and Children's day.

4. Occupational Development and Community Well-being

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 joined the project named "Big Brothers and Sisters Bring Communities to Social Enterprises" initiated by National Research Council of Thailand. The project is aimed not only to leverage the quality standard and competitiveness of local products but also to encourage community enterprises to provide some benefits for developing their community. As an active member of the Community Partnership Association, Vinythai together with other members support Nongfab occupational group, who produces pineapple pies, to join an initiative of the Association's to leverage community enterprise in accordance with the effective Thammasat Model.

Compliance: Code of Conduct and Anti-Corruption

Code of Conduct

The Company has determined "Integrity" as one of its shared values.

Integrity

- We will build open and fair relationships with all of our stakeholders based on the highest ethical standards.
- We will strictly comply with applicable laws and regulations.
- We will fulfill our responsibilities in relation to all the products and services we provide to achieve customer satisfaction and trust.

The Company is committed to the high standards of legal compliance and business ethics. Our Code of Conduct is applied to all directors, management, and employees of the Company and its subsidiaries. Third parties acting on behalf of the Company are also expected to act within the framework of this Code.

The Code of Conduct of the Company comprises of the following topics:

- 1) Business Ethics Policy
- 2) Conflicts of Interest Policy
- 3) Workplace Health and Safety Policy
- 4) Environment Policy
- 5) Company and Third-Party Assets and Confidential Information Policy

- 6) Gifts, Entertainment and Anti-Corruption Policy
- 7) Customer Relations and Product Quality Policy
- 8) Respect for People Policy
- 9) Charitable Activities & Company Philanthropy Policy
- 10) Fair Competition and Anti-Trust Policy
- 11) Reports and Records Policy
- 12) Insider Trading Policy
- 13) International Trade Controls Policy

Policy Administrative Procedures:

- Compliance and Enforcement
- Speak up and No Retaliation
- Training and Awareness
- Compliance Organization
- Designated Compliance Function

(More information of the Code of Conduct is available at website of the Company:
<http://www.vinythai.co.th/media//www/index/38124161522392257.pdf>)

Additional Speak Up Channels Provided by the Company.

In February 2019, the AGC Global Helpline and AGC Thai Helpline were announced and implemented within the Company, in addition to the existing Internal Thai Helpline. The employees were encouraged to report to AGC Global Helpline, <http://whistle.jp/AGC/> in the case of issues affecting AGC Group including the bribery, violation of antitrust laws, and fraudulent accounting while the non-compliance matters should be reported through AGC Thai Helpline.

Here below are all speak up channels which employees can ask questions, voice concerns or make suggestion regarding the business practice of the Company:

1. Committee of the Code of Conduct;
2. Sub-Committee of the Code of Conduct;
3. Direct Manager;
4. Helpline of the Company (nathawat.tirawatnangkoon@agc.com or +66 (0) 2 030 6867); or
5. AGC Global Helpline (<http://whistle.jp/AGC/>); or
6. AGC Thai Helpline (thai.helpline@agc.com or +81 3-3218-5745 Ext. 11-5745); or
7. The Audit Committee of Company ([//www.vinythai.co.th/survey3.php](http://www.vinythai.co.th/survey3.php))

Anti-Corruption

The Company realizes the importance of the good corporate governance and demonstrates our commitment to conduct our business with the utmost integrity and compliance with laws, rules and regulation in respect to the anti-corruption. In this regard, the Board of Directors has approved the Anti-Corruption Policy to abide by as a guideline for anti-corruption and corruption risk management of the Company. The Company condemns corruption and prohibits any form of corruption in order to show that the company is aware of operations with transparency.

(Please learn more information about the Anti-Corruption Policy on the Company's website at <http://www.vinythai.co.th/media//www/index/49737311487869078.pdf>)

Thailand's Private Sector Collective Action Coalition against Corruption (CAC)

The Company is committed to comply with the Anti-Corruption Policy and applied in CAC program. As the result, the Company has become the certified member of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) since 18 August 2017.

Activities that the Company implemented for the Code of Conduct and Anti-Corruption in 2019

1. The Company provided training to all employees at all levels to create their awareness and to comply with the Code of Conduct and Anti-Corruption Policy. The Company arranged those employees to do the test after the training in order to ensure the effectiveness of the training.
2. Employees at all levels must sign for the acknowledgement of the Code of Conduct to comply with and will not violate the Code of Conduct and for the report of Interest that employee do have or do not have a transaction with possible conflicts of Interest with the Company and its subsidiaries. The Training and Certification on the Code of Conduct and Anti-Corruption Policy must be executed every year.
3. The Company has developed and implemented the Code of Conduct for Suppliers since 2018 in order to demonstrate that it is committed to comply with applicable laws and regulations, to protect human rights and labor standards and to protect the environment - in its own operations as well as in relation to our business partners.
4. During the year, the Company has promoted the Code of Conduct and Anti-Corruption Policy through various channels internally and externally such as email, website, public relations board, Internal TV, etc. The company has organized activities in safety day for all employees to realize that they must comply with the Code of Conduct and Anti-Corruption Policy

5. During the year, the Company went through the self-assessment process for a re-certification of the Thailand's Private Sector Collective Action Coalition Against Corruption for another 3 years. The Company has planned to submit relevant documents for the renewal of the CAC Certificate with the CAC Council around March 2020.
6. During the year, the Company has arranged two meetings of the Sub-Committee of the Code of Conduct in July and November 2019 and one meeting of the Committee of the Code of Conduct in November 2019 to transact activities defined in the Code of Conduct in respect to Compliance Organization.

11. Internal Control and Risk Management

11.1 Audit Committee's Report for 2019

The Audit Committee, as appointed by the Board of Directors, comprises three Independent Directors, leading by Associate Professor Danuja Kunpanitchakit, Ph.D. as Chairperson, with Mr. Pipop Pruecksamars and Mr. Pote Videtyontrakich as members. All of the Audit Committee members have knowledge, expertise and experiences in various areas such as accounting, finance and investment, 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 (SEC) and the Stock Exchange of Thailand (SET).

The Audit Committee has independently performed its duties in conformity with the Audit Committee Charter which has been regularly reviewed in line with current business situation, as well as to be 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 pursues and promotes the adherence to good corporate governance and the compliance with laws and regulations in relation to the business operations of the Company and its subsidiaries.

Major activities carried out by the Audit Committee during 2019 are summarized as follows:

(1) Meetings

In 2019, the Audit Committee held totally five meetings comprising four ordinary meetings, and one non-management meeting. Meeting attendance of each committee member was disclosed in the Annual Report 2019, under Management Structure. The management and the external auditor were invited to attend the quarterly meetings 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, accounting policies, 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.

(2) Review of quarterly and annual financial statements

The Audit Committee reviewed the financial statements of the Company as well as the consolidated financial statements for the Company and its subsidiaries for the year ended 2018 and 2019 quarterly reports prior to submission to the Stock Exchange of Thailand and the public disclosure. The review covered significant accounting transactions, reporting issues and their impacts on the financial statements, including Key Audit Matters, compliance with Thai Financial Reporting Standards, and selection of the accounting policies as well as proper disclosure of

financial statements. The Audit Committee also acknowledged the report of IT audit which was incorporated in the audit plan of the external auditor on yearly basis. The review process ensured that the financial information was complete, correct and reliable, with adequate disclosure to meet the Thai Financial Reporting Standards and requirements of relevant laws and regulations.

The Audit Committee expressed its observations, provided recommendations and obtained sufficient 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.

(3) Review of related transactions

The Audit Committee has exercised independent judgment in reviewing related transactions with the Company's major shareholder and transactions with potential conflicts of interest. The review is to ensure transparency as well as to ascertain that the Company has conducted its affairs in full compliance with relevant rules and regulations. Based on the review of the transactions undertaken in the normal course of business, no unusual transactions considered material were found.

(4) Review of internal control, internal audit and risk management

The Audit Committee advised and monitored the adequacy, appropriateness and effectiveness of the Company's internal control which included the compliance with Japanese version of Sarbanes Oxley (J-SOX) Act which applied to all listed companies in Japan and their subsidiaries. Based on the assessment of the Company's J-SOX implementation which assessed by the major shareholder's internal audit team and the external auditor nominated by the major shareholder, the result revealed that the Company's internal control system has been effective.

The Audit Committee reviewed the internal control assessment in accordance with the SEC's internal control checklist form, whereby the Audit Committee found that the internal control system remained satisfactory, adequate and appropriate for the Company's business operations. In addition, in 2019, the Audit Committee emphasized on creating employee awareness on good internal control implemented in each operating unit.

The Audit Committee reviewed the internal audit reports of the Company's Internal Audit function, to ensure that the internal audit activities have been performed according to its plan, including annual security incident report and physical count report. The review is to ensure that the operations are carried out adequately and properly. In addition, in 2019, Corporate Internal Audit performed an audit on the Company and its subsidiaries, aiming to evaluate the design effectiveness of the Company's rules and operation effectiveness of a part of business. Based on the evaluation, the internal control has been established appropriately.

The Audit Committee reviewed the risk management of the Company and its subsidiaries, of which the Company's Management Committee is responsible for assessing and mitigating risks, as well as, reviewing risk profile and monitoring the Company's risk management. The Audit Committee provided recommendation to the management to streamline the risk assessment process and risk identification to ensure that all risks identified have been timely mitigated with adequacy and

appropriateness for the business operation.

(5) Review of Corporate Governance and Compliance

The Audit Committee reviewed overall management of the Company's corporate governance practices to ensure the practices are appropriate for business operation as well as, in compliance with criteria defined by the SEC, the SET and Thai Institute of Directors (IOD), as well as acknowledge the guidelines of implementing the anti-corruption procedures. Moreover, on concern of the Corporate Governance Code (CG Code) for listed companies 2017 established by the SEC, the Audit Committee provided recommendations to the management to develop CG Code compliance and appropriate implementation to enhance sustainable value for the Company and its stakeholders.

The Audit Committee reviewed complaints from stakeholders communicating critical issues, deficient internal control or unethical behaviors via the Company's website and other channels as defined by the Company. The complaint cases reported in 2019 were investigated, resolved and reported to whistle-blowers and concerned parties.

The Audit Committee reviewed the Audit Committee Charter to ensure that the scope of duty and responsibilities have been in compliance with the requirement of the SET. In 2019, The Audit Committee unanimously agreed to amend the Charter in order to enhance the role of corporate governance. The revised Charter has been approved by the Board of Directors on July 18, 2019. In addition, the Audit Committee reviewed the Internal Audit Charter in order to strengthen the supporting role for Audit Committee under the corporate governance scope of responsibility.

The Audit Committee continued to self-assess the Audit Committee's overall performance to evaluate its general effectiveness. Based on 2019 self-assessment, which was assessed by all committee members, the result showed that all performance was highly satisfactory, similar to the previous years.

(6) Review of External auditor and audit fee

The Audit Committee evaluated and selected KPMG Phoomchai Audit Ltd. to be the auditor of the Company and its subsidiaries based on professional expertise, knowledge and experience, engagement and proper remuneration. Consequently, the Audit Committee recommended to the Board of Directors to seek the approval of the shareholders' meeting to appoint Ms. Sirinuch Vimolsathit, or Ms. Sureerat Thongarunsang, or Mr. Waiyawat Kosamarnchaiyakit, as the Company's auditor, and determined the auditor's remuneration for 2019.

Upon consideration of the above issues, the Company's Audit Committee provided an opinion that the Company's financial statements were prepared in accordance with generally accepted accounting principles with adequate disclosure of related transactions. 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 system, and suitable risk management are effective in ensuring that the Company's financial information is complete, correct, and reliable with sufficient disclosure.



Associate Professor Danuja Kunpanitchakit, Ph.D.

Chairperson of the Audit Committee

11.2 The Company's Board of Directors, the Audit Committee, and the Management place an importance on the effectiveness and adequacy of the internal control system. The Audit Committee has been assigned by the Board of Directors to review and evaluate the implementation of the internal control system. The Management has formulated the internal control deemed appropriate for the Company's business operation and organization structure as well as taking into account the changing of the business environment which probably affects the performance of the company.

Consequently, the Audit Committee presented its semi-annual report to the Board of Directors in the Board Meeting No.3/2019 held on July 18, 2019, and year-end report of 2019 to the Board Meeting No.1/2020 held on February 21, 2020 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. The Company has provided sufficient resources to efficiently operate according to the determined processes. Current monitoring and follow-up of the operation including risk management system are 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

- Policy on Corporate Governance, Anti-Corruption, Business Ethics and Code of Conduct practices for director, management and employees have been defined and approved by the Board. The Company also determined "Integrity" as one of the Shared Values. The approved code of conduct has been trained to the Company's management and employees at all level on annual basis. Under the Policy of Corporate Governance and Anti-Corruption, designated compliance function is assigned to oversee the deployment of the code of conduct and the accompanying compliance program, as well as to monitor the effectiveness of the implementation. The Company takes all steps to ensure full compliance with ethical principles and that appropriate penalties are imposed in the event of any violation. In case of non-compliance is found, the Company timely proceeds to handle any violation case, as well as fixing remedial actions for improvement.

The Board of Directors provides governance and oversight to the management. 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. The Board has responsibility for ensuring that an adequate system of internal control is established and maintained. The management takes step to develop appropriate internal control system and monitor the effectiveness of the internal control. All employees are accountable for their internal control activities and maintain effective internal control system.

- 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 and adequate resources are regularly reviewed and adjusted to ensure that the duty performance process especially involving high risks are justifiable.
- The Company demonstrates commitment to develop and retain competent individuals through HR policies and procedures. Trainings are continuously provided to employees to enhance their competency. In addition, the Company has also established performance appraisal process and rewarding system to drive individuals' accountability for performance.

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 suggested 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.
- Under risk management system steered by the Management Committee, risks are identified both from internal and external risk factors that could affect the achievement of the Company's objectives and the significance of financial reporting. Moreover, in 2019, the Risk Management Policy was revised by the Management Committee to strengthen the effective internal control, resulting in the change of the policy to "Internal Control and Risk Management Policy". The policy, approved by the Management Committee, was communicated to employees at all levels.
- On-going monitoring of high risks are monitored and assessed to ensure effective mitigation measures. All managers with the 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.
- 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, control over information system and accessibility,

as well as the security of information assets. In addition, to emphasize the anti-corruption program implemented by the Company, the guideline of fraud risk assessment has been developed in some potential frauds areas to identify the extent of the corruption risk to the business in order to ensure that the Company has adequate measurement to prevent potential fraud to the Company's business operations.

3) Control Activities

The Company encourages employees to conform to the control activities and related laws and regulations to ensure the effectiveness of the designed internal control system. Control activities are summarized as follow:

- 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 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 subsidiary. Transaction authority for significant activities and level of approval for each level of management have been clearly designated through line of authority in writing, and communicated to employees for compliance. 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.
- In order to 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 Board of Directors and 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 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. The Company has developed 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 assets. In addition, in case of incident affecting the information system, the Company has prepared procedures 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.

- Apart from internal control system currently in place, the Company, as a subsidiary of AGC Group, has been also implementing internal control and assessment based on the Japanese Financial Instruments and Exchange Act (J-SOX). According to the assessment by the AGC Corporate internal auditor and external auditor, the Company's J-SOX implementation in 2019 has been effective.

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 with significant information in details, which are kept for reference and traceability. Transactions and accounting records are completely filed and correction will be done when deficiencies are detected.

- Several internal communication channels have been set up to deliver information to employees, such as e-newsletter, intranet, etc. Message from the Managing Director has been also communicated to all employees via e-mail on monthly basis in order to emphasize on important policies and information of the company. Moreover, the company held an event to allow the Managing Director and the Management to update business information and progress and the Company's 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 determined monitoring measures to ensure adherence to the code of conduct, as well as, defining 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, as well as, reporting progress of remedial actions. 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 internal control activities according to the audit plan approved by the Audit Committee 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 2019, 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.

11.3 Head of Internal Audit

The Company appointed Dr. Supachat Chairatanathavorn as Senior 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 2019

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

Thousand THB

No.	Company	Product or nature of business	Nature of relationship and connected transactions	Transaction between companies	2018	2019
Transaction with parent company:						
1	AGC Inc. (Formerly Asahi Glass Co., Ltd.)	Production and distribution of glass	Major shareholder, 59% shareholding since February 22 nd , 2017	Purchase of spare parts and other service expenses	48,319	21,626
				License and technical assistance service expenses	5,954	18,485
				Insurance premium and other operating expenses	6,194	4,197
				Service income, net	-	815
Transaction with subsidiaries:						
1	Advanced Biochemical (Thailand) Co., Ltd.	Production of Epichlorohydrin (ECH)	Subsidiary, 100% shareholding	Revenue from sale of goods	874,582	952,673
				Interest income	112,847	92,361
				Service income, net	133,320	150,378
				Revenue from sale of spare parts	7,562	10,521
				Purchase of raw materials	191,521	197,311
				Purchase of spare parts, services expenses and other manufacturing expenses	719	1,016
2	Vinythai Holding Pte. Ltd.	Holding company	Subsidiary, 100% shareholding (dissolved on October 30 th , 2019)	Interest income	4	-
3	Advanced Biochemical Europe	Distribution of Epichlorohydrin (ECH)	Indirect subsidiary, 99.9% shareholding by subsidiary and 0.1% shareholding by the Company (dissolved on March 30 th , 2018)	Interest income	63	-
Transaction with associate company:						
1	Pimai Salt Co., Ltd.	Manufactured and trading of industrial salt	Vinythai holds 20.56 percent	Purchase of raw materials	381,128	402,900
Transaction with related company:						
1	PTT Global Chemical Public Co., Ltd. and PTT's subsidiaries	Production and distribution of petrochemical products, by-products and the provision of support services	Holds 24.98 percent of the Company's share	Revenue from sale of goods	286,164	317,837
				Purchase of raw materials	5,949,509	4,537,253
				Purchase of spare parts, services expenses and other manufacturing expenses	70,450	74,610
2	AGC Inc.'s subsidiaries			Revenue from sale of goods	877,144	497,817
				Purchase of raw materials	16,842	16,662
				Purchase of spare parts, services expenses and other manufacturing expenses	2,642	9,381
				Insurance premium, commission expenses and other operating expenses	6,243	7,585

Remark:

The above related party transactions are in the ordinary course of business. The amount shown above were already included in the Statements of Income. There are additional explanations in Notes no. 4 to the 2019 financial statements as examined and reported by the auditor under his/her audit report dated 21 February 2020.

(2) Policy or 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.