

## Part 2

### Management and Corporate Governance

#### 7. Securities Information and Shareholders

##### 7.1 Securities of the Company

As of 31 December 2015, Indorama Ventures Public Company Limited had the Registered Capital of Baht 5,666,010,449 divided into 5,666,010,449 ordinary shares with the par value of Baht 1 per share and Paid-up Capital of Baht 4,814,272,115 divided into 4,814,272,115 ordinary shares with the par value of Baht 1 per share

##### 7.2 Shareholders

###### 1) Major Shareholders of IVL (as of December 31, 2015)

###### a) Top Ten Major Shareholders

No.	Shareholders	No. of Shares	%
1.	Indorama Resources Ltd. <sup>1</sup>	3,066,038,376	63.69
2.	Thai NVDR Ltd.	239,535,487	4.98
3.	Bangkok Bank PCL. <sup>2</sup>	230,180,944	4.78
4.	Canopus International Limited <sup>1</sup>	130,000,000	2.70
5.	Mr. Thaweechat Chulangkul <sup>3</sup>	100,062,100	2.08
6.	GIC Private Limited	41,584,900	0.86
7.	Government Pension Fund (EQ-TH)	37,227,200	0.77
8.	State Street Bank Europe Limited	29,496,303	0.61
9.	HSBC (Singapore) Nominees PTE Ltd.	28,322,403	0.59
10.	The Hongkong and Shanghai Banking Corporation Limited, Fund Services Department	27,345,471	0.57

#	#	#	#
Remarks:	<sup>1</sup> Group of Lohia Family	No. of Shares	%
	- Indorama Resources Ltd.*	3,066,038,376	63.69
	- Canopus International Limited**	130,000,000	2.70
	- Mr. Alope Lohia	10	0.00
	- Mr. Anuj Lohia	10	0.00
	* Owned by Canopus International Limited 99.98%		
	** Mr. Alope Lohia and his immediate family have voting rights of up to 76% and an equity interest of up to 49% in Canopus International Limited while Mr. Sri Prakash Lohia and his immediate family have voting rights of up to 24%, and equity interest of up to 51%, in Canopus International Limited		
	<sup>2</sup> Group of Bangkok Bank	No. of Shares	%
	- Bangkok Bank PCL.	230,180,944	4.78
	- Bangkok Insurance PCL.	449,944	0.01
	<sup>3</sup> Group of Chulangkul Family	No. of Shares	%
	- Mr. Thaweechat Chulangkul	100,062,100	2.08
	- Mr. Natthaphol Chulangkul	3,000,000	0.06

- b) *The majority of shareholders who have the control or influence on the management of setting the corporate policy and strategy of the Company*

Group of Lohia Family holds in IVL's shares at 66.39 percent

- c) *The ultimate shareholders of the Company*

Indorama Resources Ltd.\* holds 63.69 percent and Canopus International Limited \*\* holds 2.70 percent in IVL's shares respectively.

Remarks: \* Owned by Canopus International Limited 99.98%

\*\* Mr. Alope Lohia and his immediate family have voting rights of up to 76% and an equity interest of up to 49% in Canopus International Limited while Mr. Sri Prakash Lohia and his immediate family have voting rights of up to 24%, and equity interest of up to 51%, in Canopus International Limited

## 2) Shareholders' Information of Core Business Subsidiaries



### 3) Shareholders' Agreement

- None -

## 7.3 Debenture

### 7.3.1 Debentures of Indorama Ventures Public Company Limited

The extraordinary general meeting of shareholders held on 22 September 2011, the annual general meeting of shareholders held on 29 April 2013 and the annual general meeting of shareholders held on 24 April 2015, approved the issue of debentures totally not exceeding Baht 75,000 million.

As at 31 December 2015, the Company had outstanding unsubordinated and unsecured debentures totalling Baht 30,300 million and the subordinated perpetual debentures totalling Baht 15,000 million as follows:

#### Debenture issued on 19 October 2011:

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL16OA	Debentures of INDORAMA VENTURES No. 1/2011 Tranche 1	210	Year 1-3: 4.50% Year 4-5: 5.05%	5 years	19 October 2016
IVL18OA	Debentures of INDORAMA VENTURES No. 1/2011 Tranche 2	98	Year 1-4: 4.75% Year 5-7: 5.50%	7 years	19 October 2018
IVL21OA	Debentures of INDORAMA VENTURES No. 1/2011 Tranche 3	37	Year 1-4: 5.00% Year 5-8: 5.50% Year 9-10: 6.00%	10 years	19 October 2021
IVL16OB	Debentures of INDORAMA VENTURES No. 1/2011 Tranche 4	2,690	4.70%	5 years	19 October 2016
IVL18OB	Debentures of INDORAMA VENTURES No. 1/2011 Tranche 5	1,302	5.04%	7 years	19 October 2018
IVL21OB	Debentures of INDORAMA VENTURES No. 1/2011 Tranche 6	3,163	5.35%	10 years	19 October 2021
<b>Total</b>		<b>7,500</b>			

**Debenture issued on 5 April 2012:**

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL174A	Debentures of INDORAMA VENTURES No. 1/2012 Tranche 1	1,500	Year 1-3: 4.45% Year 4-5: 5.20%	5 years	5 April 2017
IVL224A	Debentures of INDORAMA VENTURES No. 1/2012 Tranche 2	1,250.50	Year 1-3: 5.10% Year 4-7: 5.60% Year 8-10: 6.00%	10 years	5 April 2022
IVL174B	Debentures of INDORAMA VENTURES No. 1/2012 Tranche 3	2,500	4.73%	5 years	5 April 2017
IVL194A	Debentures of INDORAMA VENTURES No. 1/2012 Tranche 4	1,500	5.09%	7 years	5 April 2019
IVL224B	Debentures of INDORAMA VENTURES No. 1/2012 Tranche 5	2,649.50	5.52%	10 years	5 April 2022
<b>Total</b>		<b>9,400</b>			

**Debenture issued on 14 December 2012:**

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL18DA	Debentures of INDORAMA VENTURES No. 2/2012 Tranche 1	780	4.52%	6 years	14 December 2018
IVL20DA	Debentures of INDORAMA VENTURES No. 2/2012 Tranche 2	880	4.78%	8 years	14 December 2020
IVL22DA	Debentures of INDORAMA VENTURES No. 2/2012 Tranche 3	1,645	5.11%	10 years	14 December 2022
IVL24DA	Debentures of INDORAMA VENTURES No. 2/2012 Tranche 4	1,475	5.28%	12 years	14 December 2024
<b>Total</b>		<b>4,780</b>			

**Debenture issued on 27 June 2013:**

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL186A	Debentures of INDORAMA VENTURES No. 1/2013 Tranche 1	550	4.40%	5 years	27 June 2018
IVL206A	Debentures of INDORAMA VENTURES No. 1/2013 Tranche 2	520	4.70%	7 years	27 June 2020
IVL236A	Debentures of INDORAMA VENTURES No. 1/2013 Tranche 3	1,100	5.10%	10 years	27 June 2023
<b>Total</b>		<b>2,170</b>			

**Debenture issued on 14 March 2014:**

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL173A	Debentures of INDORAMA VENTURES No. 1/2014 Tranche 1	1,500	4.00%	3 years	14 March 2017
IVL193A	Debentures of INDORAMA VENTURES No. 1/2014 Tranche 2	800	4.50%	5 years	14 March 2019
IVL243A	Debentures of INDORAMA VENTURES No. 1/2014 Tranche 3	1,400	5.30%	10 years	14 March 2024
<b>Total</b>		<b>3,700</b>			

**Debenture issued on 31 October 2014:**

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL14PA	Subordinated Perpetual Debentures of Indorama Ventures Public Company Limited No. 1/2014	15,000	7.00%	Perpetual	Redemption Upon Liquidation
<b>Total</b>		<b>15,000</b>			

**Debenture issued on 13 October 2015:**

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL220A	Debentures of INDORAMA VENTURES No. 1/2015 Tranche 1	500	4.00%	7 years	13 October 2022
IVL250A	Debentures of INDORAMA VENTURES No. 1/2015 Tranche 2	1,100	4.20%	10 years	13 October 2025
<b>Total</b>		<b>1,600</b>			

**Debenture issued on 9 December 2015:**

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL25DA	Debentures of INDORAMA VENTURES No. 2/2015	1,150	3.92%	10 years	9 December 2025
<b>Total</b>		<b>1,150</b>			

**7.3.2 Debentures of IVL Singapore PTE Limited**

The resolution of IVL Singapore PTE Limited, an indirect subsidiary of the Company, held on 25 August 2015 approved the issuance of debentures up to an amount not exceeding USD 140 million equivalents in Singapore dollars.

On 7 October 2015, IVL Singapore PTE Limited issued the Senior Unsecured Debenture of SGD 195 million (equivalent to USD 138 million) to institutional investors in Singapore. The debenture is guaranteed by Credit Guarantee & Investment Facility, a trust fund of the Asian Development Bank and listed on the SGX-ST.

**Debenture issued on 7 October 2015:**

No.	Amount (M SGD)	Interest Rate per year	Term of Issue	Maturity Date
1/2015	195	3.73%	10 Years	7 October 2025
<b>Total</b>	<b>195</b>			

#### **7.4 Dividend Policy**

##### *Dividend Policy of the Company*

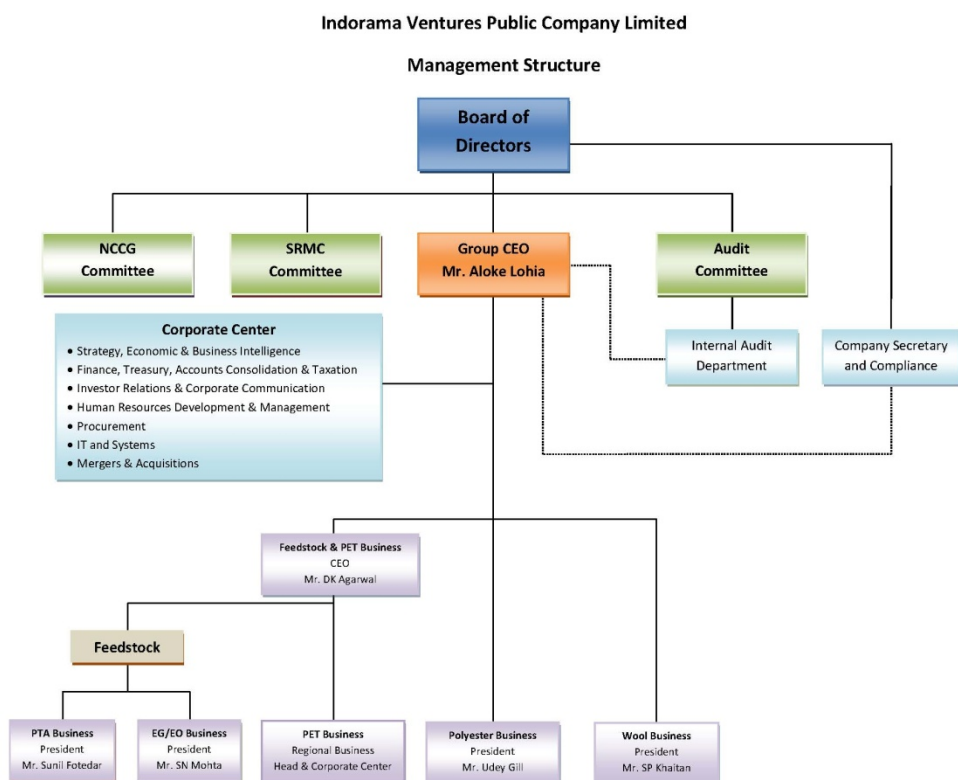
According to the Company's policy on dividend payment, dividend will be paid at not less than 30% of the net profit after tax and the appropriation to the legal reserve. However, the Board of Directors shall have the authority to consider waiving or amending such dividend policy subject to the condition that it will bring the greatest benefit to the shareholders, such as to use such portion of the net profit as a reserve for debt repayment, capital investment for production expansion or as a support in case of changing market conditions which would affect the Company's future cash flows.

##### *Dividend Policy of the IVL Subsidiaries Company*

The payout of dividend by the IVL subsidiaries to IVL is up to 80% of their net profit after tax and after appropriation to legal reserve. However the board of directors of the subsidiaries will consider the dividend payment, and may amend the dividend policy, by taking into account the reserves for debt payment, capital investment, changing market conditions or as required to manage the future cash flows.



## 8. Management Structure



## The Board of Directors

Name	Position	Appointment Date of Directorship
1. Mr. Sri Prakash Lohia	Chairman of the Board	19 September 2009
2. Mr. Alope Lohia	Vice Chairman of the Board, Chairman of the Sustainability and Risk Management Committee, Member of the Nomination, Compensation and Corporate Governance Committee and Group Chief Executive Officer	19 September 2009
3. Mrs. Suchitra Lohia	Director and Chairperson of Corporate Social Responsibility Committee	19 September 2009
4. Mr. Amit Lohia	Director	19 September 2009
5. Mr. Dilip Kumar Agarwal	Director, Member of the Sustainability and Risk Management Committee and Chief Executive Officer of Feedstock and PET Business	27 April 2010
6. Mr. Udey Paul Singh Gill	Director, Member of the Sustainability and Risk Management Committee and President of Polyester Business	27 April 2011
7. Mr. Rathian Srimongkol	Independent Director, Vice Chairman of the Board, Chairman of the Audit Committee and Member of the Sustainability and Risk Management Committee	19 September 2009
8. Mr. William Ellwood Heinecke	Independent Director, Chairman of the Nomination, Compensation and Corporate Governance	19 September 2009
9. Mr. Maris Samaram	Independent Director, Member of the Audit Committee and Member of the Sustainability and Risk Management Committee	27 April 2010
10. Dr. Siri Ganjarerndee	Independent Director, Member of the Audit Committee and Member of the Nomination, Compensation and Corporate Governance Committee	27 April 2010
11. Mr. Kanit Si	Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee	27 April 2010
12. Mr. Russell Leighton Kekuwa	Independent Director and Member of the Sustainability and Risk Management Committee	20 October 2014
13. Mr. Chakramon Phasukavanich ★	Independent Director	13 November 2015
14. Mr. Sanjay Ahuja ★★	Director	13 November 2015

★ Mr. Chakramon Phasukavanich was appointed as Independent Director in place of Mr. Apisak Tantivorawong on November 13, 2015

★★ Mr. Sanjay Ahuja was appointed as Director in place of Mr. Sashi Prakash Khaitan on November 13, 2015

## The Authorized Directors

The Authorized Directors who sign on behalf of the Company are any two of Mr. Alope Lohia, Mrs. Suchitra Lohia, Mr. Dilip Kumar Agarwal and Mr. Sanjay Ahuja, who jointly sign with the Company's seal affixed.

## Composition of the Board of Directors

There are five executive directors, (1) Mr. Alope Lohia, (2) Mrs. Suchitra Lohia, (3) Mr. Dilip Kumar Agarwal (4) Mr. Udey Paul Singh Gill and (5) Mr. Sanjay Ahuja

There are 7 independent directors, (1) Mr. Rathian Srimongkol, (2) Mr. William Ellwood Heinecke, (3) Mr. Maris Samaram, (4) Dr. Siri Ganjarerndee, (5) Mr. Kanit Si, (6) Mr. Russell Leighton Kekuwa and (7) Mr. Chakramon Phasukavanich and there are 2 non-executive directors, (1) Mr. Sri Prakash Lohia and (2) Mr. Amit Lohia

## Roles, Duties and Responsibilities of the Board

Please see the details under the topic of "Corporate Governance Report"

## Sub-Committees

Indorama Ventures Public Company Limited consists of 3 sub-committees, namely, the Audit Committee, the Nomination, Compensation and Corporate Governance Committee and the Sustainability and Risk Management Committee. The details of each sub-committee are provided under the topic of "Corporate Governance Report".

## Board Meetings

Meetings in 2015						
Name	Board of Directors (6 times)	Audit Committee (6 times)	Nomination, Compensation and Corporate Governance Committee (3 times)	Sustainability and Risk Management Committee (2 times)	Independent Directors (1 time)	AGM
1. Mr. Sri Prakash Lohia	4/6	-	-	-	-	1/1
2. Mr. Alope Lohia	6/6	-	3/3	2/2	-	1/1
3. Mrs. Suchitra Lohia	6/6	-	-	-	-	1/1
4. Mr. Amit Lohia	3/6	-	-	-	-	1/1
5. Mr. Dilip Kumar Agarwal	6/6	-	-	2/2	-	1/1
6. Mr. Udey Paul Singh Gill	5/6	-	-	2/2	-	1/1
7. Mr. Rathian Srimongkol	6/6	6/6	-	2/2	1/1	1/1
8. Mr. William Ellwood Heinecke	6/6	-	3/3	-	1/1	1/1

Meetings in 2015						
Name	Board of Directors (6 times)	Audit Committee (6 times)	Nomination, Compensation and Corporate Governance Committee (3 times)	Enterprise Risk Management Committee (2 times)	Independent Directors (1 time)	AGM
9. Mr. Maris Samaram	6/6	6/6	-	2/2	1/1	1/1
10. Dr. Siri Ganjarerndee	5/6	6/6	3/3	-	1/1	1/1
11. Mr. Kanit Si	6/6	-	3/3	-	1/1	1/1
12. Mr. Russell Leighton Kekuwa	6/6	-	-	2/2	1/1	1/1
13. Mr. Chakramon* Phasukavanich	-*	-	-	-	-	-
14. Mr. Sanjay Ahuja**	-**	-	-	-	-	-

Remarks: \* Mr. Chakramon Phasukavanich and Mr. Sanjay Ahuja were appointed as IVL Directors on 13 November 2015

## Executives

As of 31 December 2015, IVL's executives are:

Name	Position
1. Mr. Alope Lohia	Group Chief Executive Officer
2. Mrs. Suchitra Lohia	Chairperson of Corporate Social Responsibility Committee
3. Mr. Dilip Kumar Agarwal	Chief Executive Officer of Feed Stock and PET Business
4. Mr. Sashi Prakash Khaitan	President of Wool Business
5. Mr. Udey Paul Singh Gill	President of Polyester Business
6. Mr. Sunil Fotedar	President of PTA Business
7. Mr. Satayanarayan Mohta	President of EG/EO Business
8. Mr. Sanjay Ahuja	Head of Finance
9. Mr. Manoj Sharma	Head of Account

## **The Company Secretary**

The Board of Directors of the Company has appointed Mr. Souvik Roy Chowdhury as the Company Secretary effective on 15 February 2010.

### **Education**

- Chartered Accountant, The Institute of Chartered Accountants of India
- Chartered Institute of Management Accountants London – Intermediate
- Bachelor of Commerce, University of Calcutta, India

### **Working Experience**

- 2010 – Present: Indorama Ventures PCL

## **Duties and Responsibilities of the Company Secretary**

The Company Secretary must perform the duties as prescribed in Section 89/15 and Section 89/16 of Securities and Exchange Act (No.4) B.E.2551, effective 31 August 2008 with responsibility, carefulness and honesty and must comply with the laws, objectives, Articles of Association, resolution of the board of Directors as well as resolution of Shareholders. The duties of Company Secretary prescribed by the law are as follows:

1. Preparing and keeping the following documents
  - a. Register of Directors
  - b. Notice of Board of Directors Meeting, Minutes of Board of Directors Meeting and annual report
  - c. Notice of the Shareholders Meeting and Minutes of Shareholders Meeting
2. Keeping reports of interest filed by Directors and Executives and present reports of interest in Section 89/14 to the Chairman of the Board and Chairman of Audit Committee for acknowledge within 7 days from the date received by the Company;
3. Performing any other acts as determined by the Capital Market Supervisory Board

In addition, the Company Secretary has other duties as assigned by the Company as follows:

- Providing basic advice pertaining to the securities laws and regulations and Articles of Association as well as monitoring compliance on a regular basis and reporting any significant changes to the Board.
- Arranging shareholders' meetings and board of directors' meetings in accordance with the laws, regulations and related best practices.
- Preparing minutes of the shareholders' meetings and the board of directors' meetings, and monitoring subsequent compliance with the resolutions of those meetings.

- Preparing and keeping registrations of directors, annual reports, notice of the shareholders' meetings, notice of board of directors' meetings, minutes of the shareholders' meeting and the board of directors' meetings.
- Keeping reports of interest filed by directors and executives, and presenting such reports as specified by the relevant laws.
- Ensuring statutory compliances across all subsidiaries.
- Ensuring that corporate information disclosures to regulatory agencies are in accordance with the laws and regulations.
- Timely reporting of all necessary disclosures to SEC and SET.
- Assisting in board activities including provide preliminary advice and recommendations pertaining to legal, regulatory, corporate governance issues and best practices related to the board and committees.

**Remuneration of Directors and Management**

Please see the details in the topic of "Corporate Governance Report."

**Personnel**

Please see the details in the topic: "Corporate Governance Report" under "People" Section of this report.

## 9. Corporate Governance Report 2015

Indorama Ventures PCL (IVL) has a deep commitment to achieving the utmost in good corporate governance standards and firmly believes in driving the company to achieve a balance between economic, environmental and social goals.

The Board of Directors believes that corporate governance is the key to the reinforcement of corporate credibility as it enables sustainable growth and increases long-term value for its stakeholders. The Board and management have agreed to commit themselves to the implementation and practice of all Corporate Governance principles. This reflects our observance of what is fair, right and legal in the most transparent and ethical manner possible.

### 9.1 Corporate Governance Policy

IVL has in place a written Corporate Governance Policy that follows the guidelines set out by the SET and the criteria for Corporate Governance under OECD principles. It covers the following: a) the rights of shareholders b) equitable treatment of shareholders c) the role of stakeholders d) disclosure and transparency e) the responsibility of the Board of Directors. The Policy defines the framework of duties and responsibilities of the Board of Directors, management and employees.

#### IVL Corporate Governance Awareness Campaign 2015

The Corporate Governance Policy Awareness Campaign (CGPAC) which was rolled out in 2013 by the Board has been successfully implemented across all IVL units globally including those that were acquired during the year. The CGPAC Committee has continuously monitored progress through a dedicated resource and provided its guidance and support in establishing a strong awareness amongst all IVL associates in not only understanding all the Corporate Governance related policies but also its implementation in the true spirit that they were created.

CGPAC is a continuous program of training, seminars and monitored implementation. To ensure clear understanding by all, the Company has been encouraging translation of all the policies into the local language. Currently we have translations in 12 languages and they are all uploaded on the Company website. A Policies handbook, containing all the company's policies, has been made available to all employees. In Thailand, the new handbook was distributed to all employees for their acknowledgement. All site heads are responsible for the implementation of CGPAC and will report results of the implementation to the CGPAC committee who in turn will make a report for the year 2015 to the Board in February 2016. Site/HR heads ensure that all new employees are provided with a policies handbook. The new employees are required to acknowledge that they have read and understood the policies and sign the Code of Conduct. This initiative has ensured that all new employees are aware of the program 70% of all sites have fully implemented training courses that are either live seminars or online self-learning courses. To further pursue the embedding of corporate governance policies and principles into the minds of employees, a Corporate Governance Section has been set up under an experienced person to implement training in CG and anti-corruption/bribery across the business and review CG policies annually or as required. To achieve these goals, the CG

head has conducted training programs in several business units and recorded some on video for dissemination to overseas subsidiaries for use in their own training sessions.

Part of the website has been designed to ensure employees can access the latest information and revisions of all policies. During the year, the Company also updated the information on the Corporate Governance section of the website to be consistent with the requirements of “**Transparency International**”.

All Corporate Governance Policies are reviewed annually. The CGPAC Committee will submit their recommendations to the Board for changes to policies in August of each year.

All policies of the Company are available on its website [www.indoramaventures.com](http://www.indoramaventures.com) under the Corporate Governance section.

***For the continued practice of good Corporate Governance in 2015 the Company received the following assessment and awards:***

1. **A score of 100 percent for the 2015 Annual General Meeting** of Shareholders, judged by the Thai Investors Association. This was the fourth consecutive year in succession.
2. An “**Excellent - 5 Star**” **CG score** in the practice of **Corporate Governance of Thai Listed Companies** which was carried out by Thai Institute of Directors (IOD) in conjunction with the Stock Exchange and Security Exchange Commission of Thailand. An excellent CG scoring is the highest possible scoring and is awarded to firms with a score of 90-100 percent. IVL scored 93 percent. This is the third consecutive year that IVL received the “5 star” rating.
3. The Company won an award as being in the Top 50 ASEAN Publicly Listed Companies from ASEAN Capital Markets Forum (ACMF) based on the **ASEAN Corporate Governance Scorecard** for 2015.
4. IVL won the **CSR Recognition** award from SET in 2015 for the second consecutive year.
5. The company won a **Sustainability Report** award from SET in 2015 for the second consecutive year.
6. An **Outstanding Sustainability Report** award was given to the company by the Thailand Listed Companies Association (TLCA) and SEC
7. **Outstanding Investor Relations** award and Thailand Sustainability Investment award from SET in 2015
8. **A Certificate of Excellent in IR** from IR Magazine
9. The **Gold Award on Excellence in Governance, CSR and Investor Relations** from the Asset magazine.
10. **Best Investor Relations Team** from the Asset magazine.

## 9.2 Sub-Committees

The IVL Board has appointed the following three sub-committees: (a) Audit Committee, (b) Nomination, Compensation and Corporate Governance Committee and (c) Sustainability and Risk Management Committee.



### Audit Committee

The Audit Committee consists of three members with Mr. Rathian Srimongkol as Chairman, Mr. Maris Samaram and Dr. Siri Ganjarerndee as members. All members are Independent Directors and have the requisite experience and knowledge to review financial statements. The present Audit Committee was appointed in 2015 for a two-year term, expiring on September 18, 2017.

The Audit Committee held six meetings during the year with the attendance of members as follows:

Name	Attendance
Mr. Rathian Srimongkol *	6/6
Mr. Maris Samaram *	6/6
Dr. Siri Ganjarerndee *	6/6

\* Mr. Rathian Srimongkol, Mr. Maris Samaram and Dr. Siri Ganjarerndee have accounting knowledge to review financial statements.

*The main duties and responsibilities of the Audit Committee include:*

1. To review the company's financial reporting process to ensure that it is accurate and adequate;
2. To approve the quarterly financial statements before the same are published;
3. To review annual financial statements for the approval of the Board of Directors;
4. To approve the quarterly Management Discussion and Analysis (MD&A) report & review the annual Management Discussion and Analysis (MD&A) report and recommending the same to the Board of Directors;
5. To review the company's internal control system and internal audit – function to ensure that they are suitable and efficient, to determine an internal audit department's independence, as well as to approve the appointment, transfer and dismissal of the head of internal audit;
6. To review the company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the company's business;
7. To recommend the selection, nomination and dismissal of an independent person/entity to be the company's auditor, and to propose such person/entity's remuneration, as well as to attend a non-management meeting with the independent auditor at least once a year;
8. To review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company;
9. To approve the New Connected Transactions which are required to be approved by the Audit Committee as per SEC/SET regulations and Connected Transaction Policy of the company
10. To review and ensure disclosure in the company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
  - (a) An opinion on the accuracy, completeness and credibility of the company's financial report;
  - (b) An opinion on the adequacy of the company's internal control system;
  - (c) an opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the company's business;

- (d) An opinion on the suitability of an auditor;
  - (e) An opinion on the transactions that may lead to conflicts of interests;
  - (f) The number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
  - (g) An opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
  - (h) Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors.
11. Review the measures taken by the Company for countering the anti-corruption and bribe as part of good Corporate Governance as per the guidelines of Thai Institute of Directors Association.
  12. To engage external agencies for professional opinions, if required
  13. Perform any other act as assigned by the company's board of directors, with the approval of the Audit Committee.

The Chairman of the Audit Committee reported on the Committee's activities to the Board, immediately following its meetings. Between meetings, the Committee reviewed emerging issues with the management team, Chief of Internal Audit and with the statutory auditors. The Minutes of the Audit Committee is a part of the Board papers every quarter.

*The Audit Committee Report on its performance to the shareholders is separately disclosed in the Annual Report.*

#### *Internal Audit*

The Company has its own Internal Audit Department, Internal Audit Manual and Internal Audit Charter. The Head of the Internal Audit Department is Mr. Anil Ailani. The Internal Audit Department is entrusted to carry out internal audit activities of the Company and its subsidiaries under the supervision of the Chief of Internal Audit. The Internal Audit Department reports functionally to the Audit Committee. A detailed plan for the year is formulated for the units and approved by the Audit Committee which then periodically reviews the work of the Internal Audit Department against the plan and makes recommendations to management. In 2015, audits were carried out for all Thai units and several overseas units. The Secretary of the Audit Committee follows up on the implementation of recommendations and reports the progress to the Audit Committee and also undertakes periodic checks to ensure compliance with statutory and regulatory requirements.

#### *Nomination, Compensation and Corporate Governance Committee (NCCG)*

The term of the current NCCG Committee consisting of Mr. William Ellwood Heinecke as Chairman, Mr. Aloke Lohia, Dr. Siri Ganjarerndee and Mr. Kanit Si have been renewed for another two years by the Board of Directors at their meeting No. 3/2014 dated May 14, 2014, expiring in May 2016. Other than Mr. Aloke Lohia all other members are Independent Directors.

The Nomination, Compensation and Corporate Governance Committee held three meetings during 2015 with the attendance of members as follows:

Name	Attendance
Mr. William Ellwood Heinecke	3/3
Mr. Alope Lohia	3/3
Dr. Siri Ganjarerndee	3/3
Mr. Kanit Si	3/3

*The main duties and responsibilities of the NCCG Committee include:*

#### Nominating

The Committee has the following authority and responsibilities:

- To determine the composition of the Board and its Committees, and monitor and assess Board effectiveness.
- To lead the search for and identify suitable candidates qualified to become members of the Board. The Committee shall select candidates with the highest personal and professional integrity, with demonstrated and exceptional ability and judgment and who shall be most effective, in conjunction with the other candidates and serving Directors, in collectively serving the long-term interests of the shareholders.

In addition the Committee shall consider the appropriate mix of skills, education, experiences, independence and knowledge i.e. a broad diversity to match with the Company's requirements.

In the event that the Committee is unable to identify suitable candidates, the Committee may use a professional search firm or the Institute of Directors (IOD) director pool as appropriate.

- To assist the Board in developing and evaluating potential candidates for executive positions, including the chief executive officer, and to oversee the development of executive succession plans.
- To develop and to recommend to the Board for its approval, qualifications for director candidates, and to review these qualifications periodically.
- To review the Board of Directors' Committee structure and to recommend to the Board for its approval, Directors to serve as members of each Committee, and as Committee Chairs. The Committee shall review and recommend Committee candidates annually and shall recommend additional Committee members to fill vacancies as needed.
- To develop and recommend to the Board for its approval, a set of corporate governance principles, the Committee shall review the principles on an annual basis, or more frequently if appropriate, and recommend changes as necessary.
- To develop and recommend to the Board for its approval, an annual self-evaluation process for the Board and its Committees. The Committee shall oversee the annual self-evaluations.
- The Committee shall have the authority to delegate any of its responsibilities to subcommittees as appropriate.
- The Committee shall have the authority to retain any search firm engaged to assist in identifying director candidates, and to retain outside counsel and any other advisors as the Committee may

deem appropriate. The Committee shall have authority to approve related fees and retention terms.

- The Committee shall report its actions and any recommendations to the Board and shall conduct and present to the Board an annual performance evaluation of the Committee.
- The Committee shall review the adequacy of its charter as required and recommend any proposed changes to the Board for approval.

#### Compensation

The Committee shall have the following authority and responsibilities:

- To review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Group Chief Executive Officer (GCEO).
- The Committee shall evaluate at least once a year the GCEO's performance in light of these established goals and objectives and based upon these evaluations shall set the GCEO's annual compensation, including salary, bonus and equity and non-equity incentive compensation (if any).
- To review and approve on an annual basis the evaluation process and compensation structure for the Company's Executive Directors. The Committee shall evaluate the performance of the Company's Executive Directors and shall approve the annual compensation, including salary, bonus and equity or non-equity incentive compensation, for such Executive Directors, based on initial recommendations from the GCEO. Moreover, the Committee shall maintain regular contact with the leadership of the Company. This should include interaction with the Company's leadership development activities, review of data from employee surveys and regular review of the results of the annual leadership evaluation process.
- To review and approve on an annual basis the evaluation process and compensation structure for senior executives. The Committee shall approve or may assign the Human Resources department to approve the annual compensation, including salary, bonus and equity and non-equity incentive compensation for senior executives.
- To review and discuss with management the Company's Compensation Discussion and Analysis (CD&A) and to recommend to the Board that the CD&A be included in the Company's annual report.
- The Committee has the authority to retain compensation consultants, outside counsel and other advisors as the Committee may deem appropriate. The Committee has the authority to approve related fees and retention terms.
- The Committee shall report its actions and any recommendations to the Board after each Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee.

#### Corporate Governance

The Committee shall have the following duties with regard to corporate governance.

- Formulation of a corporate governance policy for consideration and adoption by the Board, monitoring compliance with that policy, and reviewing and adapting it on a continuing basis as appropriate.

- Coordinating the annual performance assessment of the Chairman of the Board, Individual Directors; the Board as a whole and Board Committees.
- Ensure processes are in place for maintaining the integrity of the Company-the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with customers and suppliers, and the integrity of relationships with other stakeholders;
- Ensure processes are in place for preventing and mitigating conflicts of interest for the best interest of the Company and its shareholders; and
- Ensure processes are in place for effective good governance, risk management, internal controls, and compliance.

*A report from the NCCG Committee is provided in the Annual Report*

#### Sustainability and Risk Management Committee (SRMC)\*

\*The Committee has been renamed from “Sustainability Committee” to “Sustainability and Risk Management Committee” effective August 2015

The SRMC Committee is chaired by Mr. Alope Lohia, the Group CEO and Vice-Chairman of the Board and other members of the Committee are Mr. Rathian Srimongkol, Independent Director, Vice-Chairman of the Board and Chairman of the Audit Committee, Mr. Maris Samaram, Independent Director and Member of the Audit Committee, Mr. Dilip Kumar Agarwal, CEO of the Feedstock and PET Businesses, Mr. Udey Paul Singh Gill, President of the Polyester Business and Mr. Russell Leighton Kekuewa, Independent Director. The SRMC Committee held two meetings during the year with the attendance of members as follows:

Name	Attendance
Mr. Alope Lohia	2/2
Mr. Rathian Srimongkol	2/2
Mr. Maris Samaram	2/2
Mr. DK Agarwal	2/2
Mr. Udey Paul Singh Gill	2/2
Mr. Russell Leighton Kekuewa	2/2

*The main duties and responsibilities of the SRMC Committee are:*

1. *Sustainability Goals and Strategy:* Ensure alignment between the management and the Board on the Company's Sustainability goals and strategy.
2. *Risk Management:*
  - To review the Company's overall risk exposure and apprise the Board of risks with potentially significant impact.
  - To ensure robust processes, procedures and policies are in place.
3. *Report to the Board:* Report to the Board on a periodic basis on the activities of the Committee.
4. *Annual Self-Evaluation:* The Committee shall evaluate its performance on an annual basis by reference to this charter and current best practices.

5. *Review of this Charter:* The Committee's Charter shall be reviewed periodically and updated as required with the consent of the Board.
6. *Other Delegated Responsibilities:* Perform such other duties and responsibilities as may be delegated to the Committee from time to time by the Board.

### **9.3 Selection and Appointment of Directors and Group CEO**

#### Directors

The selection, appointment and the withdrawal of the Board of Directors of Indorama Ventures PCL shall be as prescribed by the Articles of Association, which can be summarized as follows:

1. To conduct the business of the Company, the Board of Directors shall consist of at least five directors. Not less than one half of all directors shall have residence in the Kingdom of Thailand.
2. The appointment of a director shall be made by a majority vote of the shareholders meeting in accordance with the following conditions and procedures:
  - (a) A shareholder shall have one vote for each share;
  - (b) The shareholder shall vote for the election of each director in turn, person by person;
  - (c) Each shareholder may exercise all the votes he or she has (a) to elect one or several persons as a director or directors, but the shareholder cannot divide his or her votes to any nominated director by any an allotment of shares of any number;
  - (d) The persons receiving the most votes are those who are elected to be directors, in descending order, to the number of directors who are to be elected. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding chairman shall have the casting vote.
3. At every annual general meeting, one-third of the total number of the directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been in office for the longest term shall retire. A retiring director is eligible for re-election.
4. Any director wishing to resign from the director's position shall submit a resignation letter to the Company. The resignation shall take effect upon the date on which the resignation letter reaches the Company.
5. The shareholders' meeting may pass a resolution removing any director prior to retirement by rotation, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and the shares held by them shall not, in aggregate, be less than one half the number of the shares held by the shareholders attending the meeting and having the right to vote.

#### Qualifications of a Director

1. Meets the stipulations under various regulations and those prescribed by the Company's Articles of Association.
2. Have at least a Bachelor's Degree in any field.

3. Be knowledgeable of the Company's business and provide adequate time and inputs to the benefit of the Company.
4. Has adequate experience to meet the company's business strategy.
5. Be an individual with honesty, integrity and high morals.

A Non-Executive Director and an Independent Director shall not take a position as a director in more than five other listed companies.

The Executive Directors shall not take a position as director in more than three other listed Companies or in any company having conflict of interest with IVL. However the Executive Directors can take up any number of Directorships in the IVL Group Companies including Joint Ventures.

In the case that a director takes directorship positions in excess of the criteria, the Board of Directors shall consider the effectiveness in the performance of the said directors' duties and shall report the reasons for the appointment in the corporate governance report in the annual registration statement (Form 56-1) and the annual report (Form 56-2).

#### Qualifications of an Independent Director

1. Shareholding not exceeding 0.75% of the total shares with voting rights of the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company (to be calculated by including the shares held by any related persons of said independent director);
2. Not being, nor having been, a director who participates in the management, or as an employee, staff member or advisor who receives a regular salary, or a controlling person of the Company, its parent company, subsidiary company, its associated company, its subsidiary company at the same level, major shareholder or controlling person of the Company unless the holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC. However, such prohibition shall not apply in the case where the independent director has been a government official or consultant of the government sector, which is a major shareholder, or controlling person of the Company;
3. Not being a person who has a blood relationship or registration under law, as father, mother, spouse, sibling and child, including spouse of a child, of its executives, its major shareholders, its controlling person or the person who will be nominated to take up the position of executive or controlling person of the Company or its subsidiary;
4. Not having, or not having had, any business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company in a manner which may obstruct its independent judgment, and not being or not having been a substantial shareholder or controlling person of a person who has a business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, unless such business relationship has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC;



Please note that the aforementioned business relationship and transaction size shall have the same definition as in the notification of the Thai Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issued Shares.

5. Not being, or not having been, an auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder, controlling person of the Company, major shareholder or controlling person of the partner of the audit company for which the auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company has worked therein, unless such holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC;
6. Not being or not having been a professional service provider, including service provided as legal counsel or financial advisor which is retained for a fee exceeding Baht two million per annum from the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, and not being controlling person of the partner of such professional service provider, unless such business relationship has been discontinued for at least two years before the date of submission of the application for the issue of newly issued shares to the SEC;
7. Not being a director nominated to be a representative of a director of the Company, major shareholder or shareholder who are related persons to the major shareholder;
8. Not undertaking business of the same nature as and materially competing with that of the business of the Company or its subsidiary company or not being a partner of the partnership or a director who participates in the management, an employee, a staff member, or advisor who receives a regular salary or holds shares exceeding 1% of the total shares with voting right of other companies which undertakes business of the same nature as and materially compete with that of the business of the Company or its subsidiary company; and
9. Having no other qualifications causing any inability to express independent judgment in respect of the Company's business operation.

The qualification of the Independent Directors is more stringent than the requirement of the Thai Capital Market Supervisory Board.

#### Group CEO

The Board of Directors will appoint the Group CEO. The Group CEO will be a person with the highest personal and professional integrity, with demonstrated and exceptional ability and judgment and who shall be most effective in serving the long-term interests of the Company and have knowledge in the industry in which IVL operates.

#### **Role and Responsibility of Group CEO**

- Designated as authorized person in administering the Company's business and/or day-to-day operation to be in line with the objectives, articles of association, policies, rules, regulations, instructions and resolutions of the Board of Directors Meeting and/or resolutions of the Shareholders Meeting.



- Arrange to prepare the Company's business policies, business plans and budget to be proposed to the Board of Directors for approval and has a duty to report the progress on such approved business plans and budget to the Board of Directors according to the period specified by the Board of Directors.
- Manage the Company's business operations in line with the Company's business policies, business plans and budget, and to meet financial goals as approved by the Board of Directors.
- Establish performance goals, allocate resources and comply with the policies for management.
- Ensure the Company's overall business growth in accordance with the Company's objectives and business plans.
- Maintain good relationship with the Company's stakeholders.
- Ensure compliance with the law and ethical standards and maintain transparency.
- Ensure the organization's public standing.
- Be the leader in marketing strategy.
- Determine, monitor and strengthen organization's standards that are essential to keep its competitive edge and create organization value through continuously working on the people and products.
- Analyze the current and potential overall global industrial condition for hints of future changes within the industry and adjust the Company's strategy.
- Ensure appropriate returns to all stakeholders
- Work closely with chief executive officers, chief financial officers and chief operating officers of various business groups to deliver organization value.
- Set up the employee performance evaluation standards and review such standards periodically.
- Ensure effective implementation of the Board of Directors' resolution.
- Recruit, appoint, remove, relocate, adjust, reduce or deduct salary or wages, impose disciplinary sanctions on officers and employees as well as dismiss officers and employees from their positions in accordance with the rules prescribed by the Board of Directors, except for executive officers or those in comparable or higher positions, which shall require prior approval from the Board of Directors.
- Approve the Company's normal financial transactions and debt restructuring transactions of short-term debts in the amount of not exceeding Baht 500 million or long-term debts in the amount of not exceeding Baht 250 million.
- Be authorized to delegate authority to others to perform specific duties on his behalf. Such delegation of authority shall be within the scope of and in accordance with the power of attorney granted and/or shall be in accordance with the internal regulations, rules or instructions given by the Board of Directors and/or the Company. The authorization of duties

and responsibilities of the CEO shall not constitute an authorization or sub-authorization which may cause the CEO or his authorized person(s) to be able to approve any transaction in which they, or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board), may have an interest or may gain benefit in any manner, or in which they may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the Shareholders Meeting or the Board of Directors Meeting.

#### 9.4 Governance in Subsidiary and Associated Companies

It is the policy of the Company to send at least one representative from Thailand to be a director of its subsidiaries and associated companies; who has the qualifications and experience suitable for such business with no conflict of interest directly with the business of those subsidiaries. Such representative shall manage and administer the business of such subsidiaries according to the regulations and procedures provided in the Articles of Association of the Company and of such subsidiaries and relevant laws and also implement the policies, procedures, guidelines and recommendations of IVL parent Company.

Corporate Headquarters of the company has now collected a summary of all the by-laws of all subsidiaries in order to monitor compliance.

The core subsidiary Companies of IVL held 315 Board meetings in 2015, which are detailed in the table below:

No.	Company	Number of Meetings	No.	Company	Number of Meetings
<b>ASIA</b>			<b>EUROPE</b>		
1	Indorama Ventures Global Services Limited	10	41	Indorama Ventures Europe B.V.	5
2	Indorama Polymers Public Company Limited	6	42	Indorama Polymers Rotterdam B.V.	3
3	Petform (Thailand) Limited	5	43	Indorama Ventures Recycling Netherlands B.V.	1
4	Asia Pet (Thailand) Limited	5	44	MJR Recycling B.V.	1
5	Indorama Holdings Limited	7	45	Indorama Holdings Rotterdam B.V.	3
6	Indorama Polyester Industries Public Company Limited	7	46	Indorama Ventures Dutch Investments B.V.	1
7	Indorama Petrochem Limited	9	47	Beverage Plastics (Holdings) Limited	4
8	TPT Petrochemicals Public Company Limited	6	48	Beverage Plastics Limited	3
9	ES FiberVisions (Thailand) Company Limited	3	49	Indorama Ventures Poland Sp. z o.o.	4
10	Indorama Ventures Polymers (Rayong) Public Company Limited	10	50	Indorama Ventures Adana PET Sanayi Anonim Sirketi	9
11	Guangdong IVL PET Polymer Company Limited	4	51	Indorama Ventures Corlu PET Sanayi Anonim Sirketi	13
12	Shenma-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd.	1	52	Beacon Trading (UK) Limited	1
13	PHP-Shenma Air Bag Yarn Marketing (Shanghai) Co., Ltd.	1	53	Indorama Trading (UK) Limited	2
14	Performance Fibers (Kaiping) Company Limited	4	54	Indorama Polymers Workington Limited	1
15	Performance Fibers (Kaiping) No. 2 Company Limited	4	<b>AMERICA</b>		
16	Performance Fibers (Hong Kong) Limited	2	55	Indorama Ventures Logistics LLC	4
17	PT. Indorama Ventures Indonesia	5	56	Indorama Ventures (Oxide & Glycols) LLC	5
18	PT. Indorama Polyester Industries Indonesia	5	57	Performance Fibers Holdings Finance, Inc	2
19	PT. Indorama Polychem Indonesia	5	58	Performance Fibers Asia Holdings, LLC	1

20	PT. Indorama Petrochemicals	3
21	PT. Indorama Polypet Indonesia	5
22	KP Equity Partners Inc.	2
23	Indorama Ventures Packaging (Myanmar) Limited	6
24	Indorama Ventures Packaging (Philippines) Corporation	11
25	IVL Singapore Pte. Ltd.	3
26	Micro Polypet Private Limited	1
27	Sanchit Polymers Private Limited	1
28	Eternity Infrabuild Private Limited	1
<b>EUROPE</b>		
29	IVL Belgium N.V.	1
30	FiberVisions A/S	1
31	Wellman France Recyclage S.A.S	1
32	Trevira GmbH	4
33	PHP Fibers GmbH	3
34	Wellman International Limited	4
35	Ottana Polimeri S.R.L.	2
36	UAB Orion Global Pet	4
37	UAB Indorama Polymers Europe	1
38	UAB Indorama Holdings Europe	1
39	Indorama Netherlands Cooperatief U.A.	3
40	Indorama Netherlands B.V.	24

59	Performance Fibers Asia , LLC	1
60	AlphaPet, Inc.	7
61	Auriga Polymers Inc.	8
62	StarPet Inc.	8
63	Indorama Ventures Performance Fibers Holdings USA LLC	1
64	FiberVisions Corporation	3
65	FiberVisions Manufacturing Company	5
66	FiberVisions Products, Inc	5
67	Polyamide High Performance Inc.	1
68	Safe Tweave Inc.	1
69	Indorama Ventures Olefins LLC	2
70	Indorama Ventures Northern Investments Inc.	4
71	Indorama Ventures Gestion Inc.	4
72	Indorama Ventures Polymers Mexico, S. de R.L. de C.V.	4
73	Indorama Ventures EcoMex, S. de R.L. de C.V.	4
<b>AFRICA</b>		
74	Indo Polymers Mauritius Limited	3
75	Indorama PET (Nigeria) Limited	4
76	Indorama Ventures Packaging (Nigeria) Ltd.	3
77	Indorama Ventures Packaging (Ghana) Limited	3

Apart from those meetings, there were also management and executive committee meetings regularly to review the business performance of the various subsidiaries.

### 9.5 The Use of Internal Information of the Company

The Company has in place a written policy on the use of confidential and/or internal information so as to prevent any illegal use. The statement is prominently displayed at the head office and at the offices and the working places of all its subsidiaries, for the knowledge of all employees.

The code of conduct prohibits Directors and employees from buying, selling, transferring or accepting the transfer of Company securities by using confidential and/or internal information in any manner that may take advantage of outsiders by using inside information.

All Directors, senior management, auditors and employees having access to financial statements of the Company are required to make a declaration of their movement in shareholding including their spouse and minor children, to the Company Secretary. A summary of the shareholding is presented to the Board on a quarterly basis.

Each year, the IVL Directors and executives submit to the Company Secretary a report, in the form as approved by the Board, on their interest or a related person's interest in the Company or its subsidiaries.

#### The Regulations on the Use of Internal Information of the Company

The regulations on the use of internal information of the Company are as follows:

1. All Directors, executives, staff and employees of the Company shall keep confidential and/or internal, all information of the Company except for the purpose of the operation of the Company's businesses;
2. All Directors, executives, staff and employees of the Company shall not disclose confidential and/or internal information of the Company with the aim to seek benefit for oneself or for other persons either directly or indirectly regardless of whether or not such benefit is to be received; and
3. All Directors, executives, staff and employees of the Company shall not sell, purchase, transfer or take the assignment of securities of the Company by using confidential and/ or internal information of the Company and/ or enter into any transactions by using confidential and/or internal information of the Company in a manner that could possibly cause damage to the Company either directly or indirectly. This provision shall also apply to spouses and minor children of the Directors, executives, staff and employees of the Company. Violators of the regulations shall be deemed as committing a serious offence.

Post listing of its shares on the Stock Exchange of Thailand (SET), all Directors, executives, managers, any persons responsible for the operation, auditors, staffs or employees of the Company may not purchase or sell, offer to purchase or sell or invite any other person to purchase, sell or offer to purchase or sell the shares of the Company in such a way as to take advantage of other persons by using internal information material to changes in the prices of the shares of the Company which has not yet been disclosed to the public and to which information he has access by virtue of his office or position, and whether or not such act is done for his own or another person's benefit, or to disclose such information so that he will receive consideration from the person who engages in the aforesaid acts, such person shall be liable under the applicable laws with respect to insider trading as a result of such contravention.

In case, Directors, executives, managers, any persons responsible for the operation, auditors of the Company acquire or dispose of shares or other securities (if any) of the Company, such person have to report on such acquisition or disposal to the SEC within the time described by SEC Act B.E. 2535. The said acquisition or disposal by the abovementioned person shall include the holding of shares and other securities in the Company (if any) by his spouse and minor children.

These regulations have been informed to all employees.

#### **9.6 Audit Fee**

The total audit fee and non-audit fee paid during 2015 for IVL and all its subsidiaries, jointly controlled entities and associates globally were as following:

Particulars	Unit: Million Baht	
	2014	2015
1. The total audit fees for IVL and all its subsidiaries, jointly-controlled entities and associates globally	120	124
a) <i>Payment to KPMG Phoomchai Audit Ltd and other members firms of KPMG Phoomchai Audit Ltd.</i>	112	116
b) <i>Other Audit firms</i>	8	8
2. The total non-audit fees paid to member firms of KPMG International other than KPMG Phoomchai Audit Ltd *	46	53

\* The amount of non-audit fees relates to tax advice, due diligence in relation to the acquisitions, restructuring and other advisory services

### 9.7 The Practice of Corporate Governance in 2015

The company has adopted and consistently complied with the principles of good corporate governance as recommended by the SET as explained in the various sections below. However the following may be noted.

1. The company has opted to have its Chairman of the Board a Non-executive Director instead of an Independent Director.
2. The Board of Directors has not limited the terms of an independent director to not more than nine consecutive years starting from the day of the first appointment. The reason for the same is explained below in the section "Retirement of Directors."
3. The Nomination Committee has the Group CEO as a member along with three Independent Directors in order to ensure quick response and implementation of recommendations made by the Independent members.
4. Currently the Board does not have any independent female directors. The Board of IVL has declared it does not have any gender bias and shall appoint a qualified female Independent Director as and when the opportunity arises.
5. The Company has opted not to use the "Cumulative Voting" for the election of Company directors.

### Rights of Shareholders and Equitable Treatment of Shareholders

It is the Company's top most priority is to protect shareholders' rights, irrespective of their shareholding, and encourage them to exercise those rights as spelt out in relevant laws.

The Company recognizes the basic legitimate right of shareholders whether major or minor, local, foreign or institutional to participate in Shareholders' Meetings; the right to appoint a proxy to participate and vote at the said meeting; the right to vote for the appointment or removal of Individual Directors; the right to vote on the annual appointment of statutory auditors and fix their remuneration and the right to vote on various other businesses of the Company. IVL implemented all these rights of the shareholders at their Annual General Meeting of Shareholders No.1/2015 held on April 24, 2015.

Shareholders rights also include the eligibility to receive dividend payments, the right to give opinions and enquire into business matters of the Company at the Shareholders' Meeting.

Apart from the above, IVL also recognizes the equal rights of all shareholders to obtain accurate, adequate and timely information from the Company, for their decision-making and will always strive to provide the same.

IVL has no agreement of any kind with any of its shareholders and has a straight forward structure with its subsidiaries, affiliates and joint venture partners with no joint holding and cross holding of shares.

The IVL Group structure is uploaded on the Company website under “Our Company” and updated every quarter.

a) General Rights and Equality

IVL provides the opportunity to minority shareholders to propose agenda items and to nominate qualified individuals to be elected as Directors of the Company before the AGM for a period of over 90 days. Such notification to the shareholders was informed to SET website and posted on the Company’s website on September 7, 2015. The notification clearly mentioned the procedure and criteria. The Company has not received any proposal from any shareholder and the same was informed to the Board at their first meeting held in January 2016.

IVL will continue to provide opportunities for the minority shareholders to participate in fundamental corporate decisions.

In order to ensure that the shareholders receive the annual audited financial statements and the quarterly reviewed financial results on time, IVL disclosed the annual audited financial statements (2014) and the three reviewed quarterly financial statements of 2015 on the same day of its approval by the Board of Directors and or Audit Committee through the website of the Stock Exchange of Thailand and also through its website - [www.indoramaventures.com](http://www.indoramaventures.com), both in English and Thai.

IVL ensures regular and timely disclosures through its website and also through the SET about all relevant information like the Annual Report, Form 56-1, Shareholders’ Meeting resolutions, important Board resolutions, acquisition updates, opportunity day presentations, analyst reports, press releases and other relevant information about the Company and its subsidiaries in an effort to keep the shareholders timely and adequately informed.

IVL strongly believes in the participation of its shareholders and the vital need for them to understand the operation and business activities of the Company and its subsidiaries and to interact with the management. The Company organized two visits by the Shareholders’ to its plants. The first trip was organized on July 15, 2015 to visit the factories at Lopburi and the second trip was organized on October 20, 2015 to visit the Polyester plant at Rayong. Such annual visits shall continue to be organized in future.

Shareholders were notified more than 30 days before the shareholders meeting. Each shareholder received complete and adequate information on the criteria and procedure of the meeting. The AGM was held on April 24, 2015 and the Notice was issued out on March 23, 2015.

All information sent to the shareholders was posted on the Company's website both in English and Thai on March 18, 2015 more than 30 days before the meeting date. The shareholders were provided the facility to download the relevant information including the proxy forms.

Notice of the meeting was also communicated through the SET on the March 17, 2015.

The shareholders were given the opportunity to submit questions in advance regarding the agenda, together with comments if any, from the date they were notified of the meeting. The procedure for submitting such questions was clearly mentioned in the Notice to the meeting.

IVL shareholders were encouraged to attend the AGM in person or by proxy. In case of proxy, shareholders could either appoint their authorized person or any one of the four Independent Directors nominated by the Company in this regard. The profiles of the Independent Director(s) were attached to the notification of the meeting.

The venue of the AGM was at a central location easily accessible to all and a map of the location was provided in the Notice to the Meeting. The meeting was held from 2.00 pm in the afternoon.

On the meeting date the Company arranged for the shareholder registration to start more than two hours before the meeting. Preparation of the venue, greeters and appropriate number of registration staffs were arranged to assist the shareholders in the registration process. The registration continued even after the meeting started in order to ensure the participation of all shareholders who came to attend the meeting.

The Company had detailed which documents were necessary for shareholders to present on the meeting date in order to have the right to attend the meeting, including the designated proxy form and shareholders were assisted by the Company staffs.

A barcode scanning system was used for registration, allowing for a quick and efficient registration process. Barcoded ballots were handed out to each shareholder for voting.

To enable shareholders to make decisions, IVL provided adequate information in the Notice to the meeting on the agenda items.

Following the feedback from the last shareholders meeting, the Company deployed simultaneous translation into Thai language at the Shareholders' Meeting No. 1/2015 held on April 24, 2015.

*b) Re-appointment of retiring Directors*

In 2015, five Directors on the Board retired by rotation and agreed to be re-appointed for another term. In this regard they signed a consent form to the NCCG Committee to consider their re-appointment. The NCCG Committee after considering the experience and contribution of the Directors retiring deemed it appropriate to re-appoint them for another term and recommended the same to the Board.

Profiles of the five Directors retiring and offering themselves for re-appointment together with their name, age, type of directorship, family relationship with other directors, educational background, director training, working experience, positions held in other listed organizations, position in



competing company/ connected business that may cause conflict of interest, number of years as director of the Company, shareholding, legal disputes, meeting attendance and the opinion of the Board, in order to facilitate the voting of the shareholders.

No Director of the Board has been proposed by major Shareholders.

The re-appointment of retiring Directors was approved by the Shareholders on the basis of the "One share one vote" method.

Minority shareholders were given the opportunity to nominate qualified individuals to be elected as Directors of the Company before the AGM for a period of over 90 days but the Company did not receive any proposal from them.

*c) Approving Directors Remuneration*

*Independent and Non-Executive Directors*

The Board reviewed and recommended to the shareholders the remuneration of the Independent and Non-Executive Directors for 2015 and the annual bonus for all IVL Directors payable in 2014 as recommended by the NCCG Committee.

The Policy followed by the NCCG Committee to recommend to the Board and Shareholders' the compensation and benefits of Independent and Non-Executive Directors are as follows:

- Compensation should fairly pay directors for work required in a company commensurate with the size and scope of the work;
- Compensation should, if possible, align directors' interests with the long-term interests of shareholders;
- Structure of the compensation should be simple, transparent and easy for shareholders to understand.
- Compensation for Non-executive Directors and Independent Directors is inclusive of monthly retainer fee and annual bonus based on the previous year's Company performance.
- Additional compensation will be paid to directors serving on various sub committees.

To implement the policy, the Committee designs an appropriate compensation package based on comparable listed Companies with the following criteria:

The remuneration of the Chairman of the Board and Chairmen of the sub-committees who are either independent or Non-Executive Directors is calculated at approx. 1.5 times of the other members.

In determining the bonus payable to all Directors' the NCCG Committee assesses the individual performance annually based on their contribution, responsibilities, expertise and attendance. This assessment is undertaken by way of a Director Self Evaluation Form.

The total bonus is determined in relation to the profit of the Company and uses a point system to allocate amongst the directors as approved by the Board. There was no change in the retainer fee in 2015. No retainer fee is paid to the Executive Directors on the Board of IVL.



Details of remuneration in 2015 paid to the Independent Directors and Non-Executive Directors and the bonus for 2014 performance to all Directors is in the latter part of this report under Director Performance.

The Chairman of the NCCG Committee explained the above policy and basis of calculation of the remuneration of Independent and Non-Executive Directors to shareholders at the 2015 Annual General Meeting.

#### *Executive Directors and Management*

The policy and criteria for Executive Directors and Management is elaborated in Board of Directors Performance in the later part of this report.

#### *d) Appointing the external auditor and approving the audit fee*

The name of the audit firm and the auditors' names, independence of the proposed auditors, number of years as the Company's auditor, total audit and non-audit fees paid in 2014 and proposed in 2015, together with the opinion of the Board based on the recommendation of the Audit Committee was detailed in the Notice to Meeting in order to facilitate shareholder voting.

#### *e) Payment of Dividend*

The dividend policy of the Company states that a dividend will be paid at not less than 30% of the net profit after tax and appropriation to the legal reserve.

In compliance with the dividend policy of the Company, the Board proposed a final dividend payout in 2014 at Baht 0.38 per share amounting to Baht 1,829,417,753.10. Out of the said final dividend, an interim dividend of Baht 0.19 per share amounting to Baht 914,708,876.55 was paid by the Company on September 05, 2014 and the Company paid the remaining dividend of Baht 0.19 per share or amounting to Baht 914,708,876.55 on 22 May 2015.

#### *f) Shareholders Meeting*

It is IVL's policy to conduct Shareholders' Meetings properly in accordance with the Articles of Association of the Company and related laws to allow shareholders to exercise their rights fully and in an informed manner.

The annual general meeting of shareholders was organized within four months from the closure of the fiscal year of December. For the fiscal year 2014, the AGM was held on April 25, 2015. The meeting started with 2,012 shareholders in person or proxy and representing 83.67% of the total shares sold. At the close of the meeting there were 2,448 shareholders in person or proxy and representing 83.75%. The meeting started at 2.00 pm and ended at 4.45 pm.

During the meeting, all the shareholders were encouraged to ask questions, express their opinions, suggestions, recommendations and request for additional information to clarify any issues relating to the Meeting.

Prior to starting the meeting, the Chairman and his representative briefed the shareholders on the criteria governing the meeting including the voting procedure. One independent observer from the

shareholders' present witnessed the vote counting procedure and she was assisted by the representative from the Company's legal counsel from The Capital law office Limited. In order to make the voting process fast and accurate, the Company used an electronic voting system. For each agenda/sub-agenda separate ballots were provided. After every agenda item was discussed and put to the vote, the ballots were collected and scanned. The results of the voting for each agenda were declared during the meeting and a summary of the results was presented at the close of the meeting.

The vote counting was carried out in a transparent manner with one share being equal to one vote. Approval of a resolution was based on majority of votes as there was no special resolution which would require three fourths of the eligible votes.

During the meeting, the Company did not introduce any unexpected important information or any new agenda items that were not notified to the shareholders earlier.

The Company ensured that all shareholders were accommodated to attend the meeting even beyond the specified time limit. The Chairman of the Board chaired the meeting. There were 13 out of 14 Directors present including the Group Chief Executive Officer (GCEO), Chairman of the Audit Committee, Chairmen of NCCG Committee, the external auditors, the internal auditor of the Company, the legal counsel of the Company and senior management team members attending the meeting.

The Chairman gave the shareholders sufficient opportunity to ask questions and make recommendations about the operations, financial matters and other issues of the Company without prejudicing the rights of any Shareholder. The Chairman, GCEO, Chairman of the Audit Committee, Chairman of the NCCG Committee, Chairman of the Sustainability Committee and the management team provided clarifications during the meeting and met the shareholders informally after the meeting.

All the agenda items were passed by an average of around 99% of the total eligible votes. The resolution of the meeting including the number of votes cast was disclosed through the SET website on the same day of the meeting.

Comprehensive Minutes of the meeting were recorded. They included names of Directors who attended and who did not attend the meeting, summary of questions asked, important explanations and clarifications, and the voting results of each agenda and sub-agenda divided into for/against/abstained. The Minutes were submitted to the SET within the required time frame of fourteen days after the AGM date. A copy of the Minutes was also posted on the Company's website at the same time.

#### *g) Reporting of and Trading in IVL Securities*

The Company has a written policy in place on reporting of and trading in IVL securities. Under this policy no director or "management" shall directly or indirectly trade in IVL securities during the period of 15 working days prior to and two working days subsequent to the date of filing with the SET of the quarterly and annual financial statements of the Company. Further, if any director or "management" trades in IVL securities, they have to report to SEC in the prescribed form within three working days

and inform the Company Secretary's Department. Every Quarter a summary of the shareholding of Directors and "management" is reported to the Board.

*h) Code of Conduct for Directors and Employees*

The Company has a Code of Conduct for Directors and employees, approved by the Board and communicated to everyone. The Company through this Code of Conduct strives to achieve observance of ethical practices, honesty, and accountability, as well as a responsibility to all stakeholders and external agencies.

In 2015, all employees have been made aware of the Code of Conduct and all new employees are given a copy of the company's policies including the code during their induction.

The Board of Directors of IVL have all read and signed the Directors Code of Conduct.

*i) Anti-Corruption and Bribery*

The Company's Code of Conduct for Directors and Employees explains among other things the company's strong position against bribery and corruption. As a global company, IVL would like to ensure that it reaches the highest level of governance and for this reason the Company has stipulated that it will abide by strict policies regarding corruption and bribery.

To demonstrate its firm commitment against corruption and bribery the Board of Directors approved the Anti-Corruption Policy of the Company.

The Company also adheres to the UK Bribery Act and all local, national and international laws where appropriate.

Indorama Ventures received CAC Certification in October 2014. The company has adopted an anti-corruption framework, including policy awareness and implementation of compliance that has led the company to create an anti-corruption culture in the company and helped it to become one of the Collective Action Against Corruption (CAC) certified companies in Thailand.

To provide employees with straightforward communication regarding our firm's zero tolerance of corruption, as well as to address practical guidelines and specific forms of corrupt activities that may arise in the course of the company operations. The company commenced conducting anti-corruption training at the Head Office and all Thai sites, and separately run in Thai and English languages for the benefit of all employees. Over 600 employees have been covered by our training courses. Educational materials were distributed to participants during training.

Anti-corruption educational materials and policies have been uploaded on the company's website and disseminated to overseas units to ensure that our policies are well communicated, and the same standard practice made available worldwide.

To support the continued effort and monitor the implementation of the anti-corruption policy, the Internal Audit Department conducts checks across all units and functions and reporting its findings to the Audit Committee.

A Chief Risk Officer was appointed to oversee all risks, including the risk of corruption and bribery, and has been tasked with monitoring, evaluating and recommending actions related to the anti-corruption and anti-bribery efforts of the company.

The CGPAC Committee continuously monitors the progress of training and awareness at all IVL sites. The CGPAC committee has reviewed and identified gaps in the rollout of the awareness campaign and the new CG Section Head has created an action plan to close said gaps.

j) Connected Transactions

The Company has in place a detailed policy on connected transactions which is stringently followed. The policy states who is a connected party and what constitutes a connected transaction, the various types of connected transaction and their threshold criteria/values for approval and disclosure purpose and what procedures to follow when there is a new connected transaction. The guideline is circulated at the beginning of each year in order to remind all concerned about the compliance requirements regarding connected transactions. The Internal Audit Department ensures all connected transactions follow the rules and regulations as prescribed by SEC/SET and the internal policy guidelines. Any proposed new connected transaction is brought to the notice of the Internal Audit Department who after their verification forwards to the Audit Committee with their recommendation through the Secretary of Audit Committee. The Audit Committee after their review will recommend to the Board. Without IVL Board approval, no new connected transaction can be made effective. At every quarterly meeting of the Audit Committee and Board of Directors, a statement of all the continuing connected transactions of the Company and its subsidiaries is submitted for acknowledgement.

However, the Company and its subsidiaries may have connected transactions with their Directors, management or potential connected persons. As a result, the Board of Directors Meeting approves, in principle, that the management is empowered to approve such transactions under reasonable, transparent and non-corrupt conditions, provided that such transaction is categorized as a transaction with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the basis of commercial negotiation (general trading conditions) and without any dependent interest resulted from the status of director, management or connected person, as the case may be.

Any Director who is directly or indirectly interested in any transaction abstains from discussions and voting. The Company has not given any financial assistance or guarantee to any external party.

*Summary of Connected Transactions is reported separately in the Annual Report.*

**Role of Stakeholders**

IVL gives equal importance to all of its stakeholders both internal and external such as shareholders, personnel, business partners, customers, competitors, creditors, communities, the environment and society. The Company is fully aware that support from each stakeholder will sustain and reinforce its competitive advantage and profitability.

It is the policy of IVL to safeguard their rights by strictly complying with applicable laws and regulations and to take into consideration their interests.

IVL has issued the following Stakeholder policies:

- Policy on the Treatment of Shareholders
- Policy on the Treatment of Customers
- Business Partners and Competitors Policy
- Environment Policy
- Human Rights Policy
- Intellectual Rights Policy
- Trading Partners and Creditors Policy
- HIV-AIDS Policy
- Hygiene and Safety Policy
- UK Bribery Act
- Whistleblower Policy
- Anti-Corruption Policy
- Supplier Code of Conduct

The Supplier Code of Conduct has been implemented in order to encourage the Company's supply chain to acknowledge and implement universal standards.

The CGPAC Committee receives periodical reports from business units on the implementation status.

In 2015 the next phase of supply chain management was implemented and included customers.

These policies have been circulated globally and uploaded to the Company's website.

As part of the CGPAC initiative and in order to develop and improve the relationship between IVL and its stakeholders, the management will on a continuous basis reinforce that everyone working at IVL is aware of and understands all the stakeholder related policies and that they are implemented in the spirit that they were created through continuous program of training, seminars and monitored implementation

The policies are reviewed annually and changes are implemented as required.

The Company publishes a sustainability report every year. This is available on the Company's website in the corporate document section.

- *Shareholders:*

IVL and its subsidiaries strive to conduct its business in a transparent and efficient manner with a view to enhancing shareholder value and returns. We will seek new businesses and projects that are accretive to shareholder value only.

- *Customers:*

IVL and its subsidiaries will strive to maintain and strengthen its long-term and loyal relationships with its customers and is determined to ensure customer delight by providing high quality products and

services that best fit customer needs at competitive prices, supported by a high standard of service and accurate information regarding our operations and products.

The Company believes in and will strive to keep communication channels open for constant customer feedback.

- *Personnel:*

All personnel of IVL and its subsidiaries are considered to be valuable assets, critical to the growth and profitability of the Company and its subsidiaries, and strive to provide a conducive and quality oriented work environment with utmost emphasis on safety along with fair and equitable compensation compatible with similar businesses.

The Company gives importance to developing skills, knowledge and potential of its employees, and strives to build a work environment that is rich in diversity and will attract and retain high performance employees.

The Company and its subsidiaries provide an orientation program for all new employees and development programs thereafter to develop and refresh their skills. All employees receive training in environmental issues and encouraged to involve themselves in local environmental conservation and preservation projects in the local area.

As the Company operates globally, each of its facilities has its own employee welfare policy which is in line with local laws and regulations.

The Company has comprehensive policies on compensation and welfare for employees across all its global locations. These follow the local rules and regulations of the country where they are situated.

Indorama Ventures strongly believes that its employees are the foundation of its success and therefore their continued development is a key to its sustainability as a business. Among other issues, the company develops employees to have a keener understanding of the environment and their impact on it.

*The details of Indorama Ventures' compensation and training activities are provided below in the section on "People" at the end of this report.*

- *Business Partners:*

IVL and its subsidiaries foster symbiotic, long-standing and growing relationships with all its business partners, based on mutual benefit and guided by good business ethics. We also want to work with business partners who operate in a fair, honest, and socially responsible manner. We feel strongly that we have a responsibility to ensure that consumers can trust the safety and quality of our products. Business partners are expected to provide goods and services that meet all government and agreed-upon quality and safety standards.

Just as we have set standards for our business through our policies, we expect our partners, in addition to complying with all environmental regulations, to share our commitment to use resources responsibly; eliminate and reduce waste; minimize their carbon footprint; offer a selection of natural,

organic, and eco-friendly products and develop facilities that align environmental, community, and business needs.

They should ensure that they adopt and implement acceptable safety, product quality, labor, human rights, social and legal principles in line with our own policies and to ensure these issues are adequately managed within the business for any goods or services supplied to us.

We have set ethical boundaries for ourselves and expect our partners to comply with them, acting with integrity and lawfully in the handling of competitive data, proprietary information and other intellectual property, and complying with legal requirements regarding competition, antitrust, and accurate and truthful marketing.

- *Intellectual Property:*

The Company is aware of the importance of intellectual property and strictly forbids the use of illegal software and any misuse of the intellectual property of others.

- *Creditors:*

IVL and its subsidiaries attempt to provide its creditors with all full and accurate information about the progress of the Company, as required for smooth business dealings and to comply with all its obligations.

Moreover, we want to see our creditors adhere to business principles consistent with our own and ensure that their products and services are produced and delivered to comply with all legislation relevant to their business in the areas where they operate.

- *Community, Environment & Society:*

IVL and its subsidiaries care about the safety of society, the environment, and the quality of life of people associated with all its operations and strives to comply with applicable laws and regulations. IVL and its subsidiaries try to actively participate in all activities that support and care for the environment and society and promote the cultures in which the Company operates.

IVL and its subsidiaries treat and dispose of waste in a manner that will have the least impact on society, environment and people.

IVL has taken various steps towards the sustainability of not only the Company, but of the community as a whole. We want to ensure:

- A consistent supply high quality products and services to our customers
- That we create value for our investors
- That we provide a favorable working environment
- That we are a good community neighbor
- That we minimize the environmental footprint we leave behind

We are committed to meet and surpass the environmental laws and regulations pertaining to each business and region, with periodic analysis and third party inspection conducted in each plant.



- *Competitors:*

IVL and its subsidiaries will act within the rules with respect to its competitors and employ best practices in dealing with them, as well as working towards market development and growth for the benefit of the industry as a whole.

- *Whistleblower Policy:*

The Company has a “Whistleblower” policy that allows all employees the opportunity to raise issues on any unethical practice (whether or not a violation of law), to a Whistleblower Committee without necessarily informing their line managers and without revealing their identity. The Policy has been communicated to all employees globally and uploaded to the Company website. Employees may contact the committee via e-mail to [ethics@indorama.net](mailto:ethics@indorama.net), or by telephone or conventional mail directed to the Whistleblower Committee at the Head Office in Bangkok. In return, the committee guarantees the protection of whistleblowers in that their identities remain confidential under all circumstances and no action will ever be taken against a whistleblower for any reason whatsoever. This information has been delivered to all business units. During 2015, three contacts were made to the Whistleblower Committee and all were investigated. The results of the investigations and the actions taken were reported to the NCCG Committee and the Board of Directors.

- *Complaint Filing Channel for Stakeholders*

The company has opened a channel for all stakeholders to bring concerns to independent directors via the e-mail [independentdirectors@indorama.net](mailto:independentdirectors@indorama.net). This channel may also be used by internal and external stakeholders to raise complaints or comments on any issues.

Both the Whistleblower Committee and Independent Directors contact details are prominently given on the company website under the Corporate Governance section.

### ***Disclosure and Transparency***

It is IVL’s policy to deliver all-important information relevant to the Company, both financial and non-financial that may have an impact on the interests of the shareholders or any decision to invest in the company or not. All such information is disclosed sufficiently, accurately, on a timely basis and transparently through easy-to-access channels that are fair and trustworthy and all such information complies with the relevant rules of the SEC/SET.

The communication channels used are: the Annual Report, Form 56-1, Management Discussion and Analysis (MD&A), press releases, the SET’s website, shareholders’ meetings, analysts’ meetings and the Company’s own website.

The designated executives that can disclose information about IVL include the Group Chief Executive Officer (Group CEO), the Company Secretary’s Department and the Investor Relations and Corporate Communications Department. They provide information to interested parties on various occasions such as one-on-one meetings with shareholders, creditors, analysts, quarterly meetings with analysts to discuss the recent financial performance, road shows and others.



The Nomination, Compensation and Corporate Governance Charter defines the policy on nomination of Directors of the Company and the policy on remuneration of Directors and management of the Company which is followed by the NCCG Committee and management team.

In the section above on **Re-Appointment of Retiring Directors and Approving Remuneration of Directors** the key highlights of the policy and criteria of nomination and remuneration are stated.

For remuneration of management the policy and criteria is stated below in the “remuneration” section under Board Performance.

The Charters and Policies of the Company are reviewed annually by the Board. The following were revised and approved by the Board at their meeting in February 20, 2015.

- Charter of the Board of Directors
- Charter of the Audit Committee
- Anti-Corruption Policy
- Whistleblower Policy
- Human Rights Policy

They were communicated to all employees globally and uploaded on the Company website.

The Company gives utmost importance to its website, which is both in Thai and English, and regularly reviews it to ensure all information provided is current and up-to date.

For better understanding of the industry, the Annual Report for 2015 has included in the Business Description an explanation of the Company’s position in the industry and a description of the Company’s major competitors globally.

In 2015, and all previous years, the Company has never been accused by the SEC/SET of breaching any disclosure rules and regulations.

The following information on the Company website is regularly updated:

Vision, Mission, Value Statements, financial statements, analyst reports, press releases, annual report, corporate structure, IVL Board and management structure, shareholding structure and major shareholders. Form 56-1 is updated every year and includes detailed information on business operation, financial status, risks, litigations, capital structure, including information on ultimate shareholding. The Company maintains a calendar of all major events that investors or shareholders may wish to attend.

The Company has a designated department for Investor Relations for disclosing essential information to investors on matters relating to financial reporting and others. An annual investor relations plan is established and the executive in charge is involved in various investor relations activities including but not limited to periodical plant visits for the benefits of shareholders, investors and analysts etc. Also regular investor meetings are organized.

To contact the Company's Investor Relations Department, the general public may call (+66) 2 661 6661 ext. 680 or email to richard.j@indorama.net. The details are provided on the Company's website.

A statement on the Board's responsibility concerning the Company's financial report is disclosed in the Annual Report, which mentions among other things that the Company complies with generally accepted accounting principles and that accounting standards and practices used are appropriate and consistent to the nature of the business. It also states that all information presented in the financial reports is accurate, complete and adequate. The Chairman of the Board and the Group CEO sign the statement.

The individual shareholdings of Directors, Management, including their spouse and minor children for the period January 1, 2015 to December 31, 2015 was as follows:

No.	Name	Ordinary Shares (Shares)				
		As at 31 Dec 2014	Changes in 2015		As at 31 Dec 2015	
		No. of Shares		No. of Shares	No. of Shares	%
1	Mr. Sri Prakash Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
2	Mr. Alope Lohia	10	Acquisition/Disposition	-	10	0.000
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
3	Mrs. Suchitra Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	10	Acquisition/Disposition	-	10	0
4	Mr. Amit Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
5	Mr. Dilip Kumar Agarwal	0	Acquisition/Disposition	100,000	100,000	0.002
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
6	Mr. Uday Paul Singh Gill	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
7	Mr. Sanjay Ahuja	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
8	Mr. Rathian Srimongkol	262,000	Acquisition/Disposition	-	262,000	0.005
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
9	Mr. Maris Samaram	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
10	Mr. William Ellwood Heinecke	3,669,132	Acquisition/Disposition	375,800	4,044,932	0.084
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
11	Dr. Siri Ganjaremddee	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
12	Mr. Kanit Si	100,000	Acquisition/Disposition	100,000	200,000	0.004
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
13	Mr. Chakramon Phasukavanich	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	114,944	Acquisition/Disposition	(12,944)	102,000	0.002
14	Mr. Russell Leighton Kekuwa	200,000	Acquisition/Disposition	759,000	959,000	0.02
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
15	Mr. Sunil Fotedar	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
16	Mr. Satyanarayan Mohta	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
17	Mr. Manoj Kumar Sharma	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-

## Reporting

IVL has in place a reporting policy for all directors and management, that they report their shareholding every quarter to the Company Secretary, who in turn writes a summary for the Board. The shareholding includes themselves, their spouses and minor children. Any trading of IVL securities must be reported immediately to the Company Secretary, who then arranges for a filing to the Securities Exchange Commission within the specified time period.

IVL has set a black out period for trading in IVL securities. Every quarter, the Company Secretary informs the Directors and Management of the blackout period.

### ***Responsibility of the Board***

#### ***1. Responsibility and Duties of the Board of Directors***

The Board of Directors of IVL has the vision, mission, value statement, plans, strategies, key policies and budgets of the Company with a view to effectively and efficiently managing the business for maximum shareholder value. Detailed budgets and plans are formulated for the Company and its subsidiaries. The Board closely monitors the management and implementation of business plans to achieve targets. The Board also sets internal controls and audit procedures, including risk management. All major CAPEX requires the approval of the Board. Detailed presentations are made by the respective business segment head.

At the beginning of each year the Board holds a Strategy and Annual Business Plan meeting and at the meeting the Vision and Mission statement is reviewed along with the Strategy as presented by management.

At the Board meetings and the many informal meetings with the Group CEO and senior management the Board gets updated on the business performance, strategy vis-à-vis targets and industry trends. Based on such meetings, the Board provides their thoughts and recommendations. The management updates are based on the regular Executive Committee meeting that each business segment holds on the operating performance.

The Board requires each business head to explain the details of why their business fell below target and the plans to improve performance. The Board follows up on the action plan status in subsequent meetings.

The Board has guidelines on Stakeholder business ethics as a part of the policies issued by the company and monitors the effective implementation of good business practice and ethics using several tools such as customer and supplier surveys, results of employee training feedback surveys and others.

The Board through the Audit Committee, internal auditor, and compliance department reviews potential conflicts of interest. The internal guidelines of the Company on related party transactions and the relevant rules and regulations of SET/SEC provide a basis for avoiding conflicts of interest. Details of all related party transactions are updated in Form 56-1 and reported in the Annual Report. Those Board members who have an interest in a matter that might involve a conflict of interest must abstain from voting and other involvement, as prescribed by the Board. Company policy prohibits personnel at all levels from using inside information for personal benefit with all business decisions based on achieving the maximum benefit for the Company and its subsidiaries.

The Board every year evaluates the efficacy and sufficiency of the Internal controls of the Company by reviewing the Evaluation Form of Sufficiency of Internal Control Systems for IVL and its subsidiaries.

The Board held a special session in January to consider and approve the Strategic Plans of business units in the group. This provided the opportunity to meet and interact with senior executives from around the World including executives from new acquisitions.

The Company held its annual Capital Markets Day in January 2015 to apprise investors from both buy and sell side of the work completed by the management over the course of the year. Senior management from global business units was introduced to investors, who had the opportunity to raise questions about the business.

#### **Other Roles and Responsibilities of the Board**

- To conduct their duties in compliance with the laws, objectives, articles of association and resolutions of shareholders' meetings with duty of care and duty of loyalty.
- To formulate and approve the vision, strategies, business directions, policies, targets, guidelines, plans of work and budget of the Company and its subsidiaries as prepared by management and oversee the administration and the performance of the management or any persons assigned to do such work to ensure compliance with the policies set out by the Board of Directors.
- To follow-up the outcome of work to ensure compliance with the plan and budget on an ongoing basis.
- To ensure that the Company and its subsidiaries adopt and set in place an appropriate, strong and effective accounting system including an internal control and internal audit system.
- To review the risk management procedures and policies and also follow up on the results.
- To set in place the corporate governance policy and its effective implementation.
- To appoint the sub-committees such as Audit Committee, Nomination, Remuneration and Corporate Governance Committee, or any other sub committees in order to assist the Board of Directors duties.
- To appoint the senior executive positions of the Company such as Chairman of Executive Committee, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer and any other senior officer as deemed necessary.
- To appoint the Company Secretary to assist the Board of Directors in its various activities to run the business in line with the related laws and regulations.
- To seek professional opinions from external agencies, if required in order to take appropriate decisions.
- To encourage directors and executives to attend the seminar program of Thai Institute Directors Association (Thai-IOD) in the course that related to their duties and responsibilities.

In any case, the authorization of duties and responsibilities of the Board of Directors of the Company shall not constitute an authorization or sub-authorization which may cause the Board of Directors of the Company or its authorized person(s) to be able to approve any transaction that such person or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board) may have an

interest or may benefit in any manner or may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the shareholders meeting or the Board of Directors meeting. In order to achieve a balance of power, the position of the Chairman of the Board and that of the Group CEO are different. The Chairman of the Board of Directors is a Non-Executive Director.

## **2. Board Structure**

There are 14 Directors on the IVL Board comprising of five Executive Directors, two Non-Executive Directors and seven Independent Directors. The Board has a diversity of nationalities, genders, ages and skills. It does not discriminate against female directors and hires according to availability and qualifications.

The Board structure is appropriate in relation to the size of the Company, number of Executive, Non-Executive and Independent Directors and qualification in terms of knowledge and expertise and provides a fair balance of power and effective management monitoring. The Company intends to maintain this broad base of knowledge and experience when it searches for new Directors in future. The Board has a policy to seek the services of a professional search firm when necessary to replace or nominate a new director.

The role of the Board is clearly set out in the Board of Directors Charter.

### **Role and Responsibility of Chairman**

The principle role of the Chairman of the Board is to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.

The Chairman plays a pivotal leadership role in ensuring that the Board works effectively. The key roles of the Chairman are:-

- Determining the composition, size and structure of the Board in order to create a balance between executive directors and independent directors.
- Ensuring the Board and its committees are properly established, composed and operated.
- Ensuring the effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
- Ensuring the participation of the executives, non-executives and independent directors in the Board's decision processes and activities.
- Ensuring the whole Board plays a constructive part in developing and determining the Company's strategy and objectives.
- Ensuring comprehensive induction programs for new directors.
- Acting in the key role of governing the Board and fostering teamwork and mutual dedication for the sustainable success of the organization.
- Engaging the Board regularly in assessing and developing its performance and communicating expectations to directors and manage directors' performance.
- Ensuring that the company has succession plans for senior executives.

- Acting as Chair at the Board's and Shareholders' meetings together with setting the agenda in consultation with the management and the Company Secretary.
- Ensuring that Board members receive accurate, timely, and sufficient information for Board meetings.
- Ensuring that there are sufficient channels for effective communication between the Board members, management and shareholders.
- Providing independent advice to the management and Board.
- Appointing the Company Secretary to assist with Board functions.

In the Directors' profile, IVL discloses its director's names, profiles, qualifications, experience, and shareholding in the Company to demonstrate the Board's knowledge, competence, qualification and experience via the Annual Report and its website. It also mentions which Director is independent, executive, non-executive or represents a major shareholder.

The profile mentions the Board membership(s) of other companies held by the Directors.

The Board has appointed the Company Secretary in order to meet the requirements of the SEC/SET regulations. The Company Secretary is responsible for matters connected with meetings of the Board and shareholders and to advise the Board on law and regulations that the Board must know to effectively perform its duties and to administer the Board's activities and ensure Board and Shareholders' resolutions are complied with.

### 3. Charters

The Company has in place the following Charters:

- Board of Directors
- Audit Committee
- Nomination, Compensation and Corporate Governance Committee (NCCG)
- Sustainability and Risk Management Committee (SRMC)

The Charters are all uploaded on the Company website under the Corporate Governance section.

The SRMC Charter was revised and approved by the Board on August 7, 2015.

The Audit Committee Charter was revised and approved by the Board on February 19, 2016 to reflect further recommendations of good governance.

### 4. Other Directorships

The Board Charter specifies the outside Directorship for Executive, Non-Executive and Independent Directors. Details are provided in the section "Selection and appointment of Directors" at the beginning of this report.

None of the Directors of IVL have breached the above Directorship criteria in 2015.

### 5. Retirement of Directors

One third of the Directors retire by rotation at every Annual General Meeting as specified in the Articles of Association of the Company. A retiring director is eligible for re-election. Voting for



appointment/ re-appointment of Directors is done individually. The Company provides a detailed profile of the retiring Director who has given his consent to be re-appointed in the Notice to the Shareholders' meeting.

The Board and the NCCG Committee after due deliberation has acknowledged and will take into consideration the IOD recommendation of independent directors term of service as published from time to time and will annually decide if certain director/s will retire based on additional criteria i.e. expertise in our business, contribution by the director, health of the individual as well as the availability of a suitable replacement director.

#### *6. Evaluation of Performance*

The Board and subcommittee members carried out a self-evaluation on the Board and sub-committee performance in 2015. The results were summarized and discussed at the Board meeting held in February 2016. The Board and subcommittee members were evaluated as having given very good performance rating in 2015.

For the self-evaluation on the Board, the Company follows the guideline prescribed by the SET which is based on the following six criteria namely a) structure and characteristic of the Board b) role and responsibility of the Board c) Board meetings d) the Board's performance of duties e) relationship with management f) self-development of directors and executive development.

The Chairman of the Board through the NCCG Committee does an individual assessment of all Directors based on the following criteria.

- Supports the mission, vision and aims/objectives of this organization.
- Understands IVL's main business and does not intervene in the objectives or work for any competitor
- Understands the role of the Board and the legal and ethical responsibilities of a Board member
- Usually attends regular and special board meetings and other events requiring board participation.
- Studies the agenda items before attending the meeting and ensures that information is sufficient to proactively consider the agenda
- Carefully reviews all the minutes of the each Board of Directors and Shareholder meetings
- Examines all documents relating to all matters that concern the board of directors. If something is not clear, he/she asks the management to explain as quickly and clearly as possible
- Raises questions on important matters and gives suggestions and recommendations to the management
- Carry out other committee responsibilities in an effective and timely manner.
- Ensures management's accountability to shareholders; preserves their rights and interests; clearly and fully discloses information



- Attends all Board meetings and makes decisions on significant activities by the Company concerning the acquisition and disposition of assets, investment project expansion, policy implementation, and/or risk management etc.
- Avoids participation in board issues where it may be perceived there is a conflict of interest.
- Avoid other positions or jobs that may have led to conflicts of interest with the Company.
- Accepted only those positions as director or non-executive director on the Board of listed companies that allow sufficient time to attend meetings.
- Willing to participate in development opportunities, including workshops, information sessions and conferences, and in taking on new roles.
- Enjoys service as a Board member in the organization or actively works to change the issues or activities which are a barrier, or reconsidering commitment to the organization.

#### For Independent Directors

- Demonstrates independence of thought and judgment in order to protect the interests of all Shareholders.

### 7. Functional Performance

The Board of Directors held six meetings during 2015. The Company generally proposes to schedule a minimum of five meetings a year. Typically, a meeting is convened every three months with extra meetings convened as and when necessary to review operations, financial matters, plans, or other matters. Prior to the close of each year a schedule of meetings for the next year is circulated to the members to fix the meeting dates well in advance and also to ensure maximum participation. All the independent Directors met on February 13, 2015 to review and discuss the Company's performance and other matters. The Independent Directors thereafter met the Group CEO and discussed with him the outcome of their meeting. A similar meeting of the Independent Directors will be held on 12 February 2016.

The Chairman, Group CEO and Company Secretary set the Board meeting agenda and the Company Secretary sends invitation letters together with the agenda and relevant documents to the Directors at least seven days prior to the meeting to allow adequate time for the Directors to study the information.

At each Board Meeting, the Chairman allows each Board member to express his or her views and management to answer all queries in full. If desired, Directors can request for additional information from a designated person.

Detailed minutes are prepared for each meeting, which includes

- the meeting date
- time of meeting commencement and completion
- name of Directors who attended or were absent from the meeting
- summary proposals to the Board on each issue,
- a brief report of the discussion

- each Director's observations
- the person authorizing the minutes

The Minutes are circulated within 14 days of the Board meeting.

The summary of Minutes of all subsidiary companies' board meetings is attached to the Board papers and provided on CD every quarter in order for the Board members to gain full knowledge of the activities at the various locations.

The following are the details of attendance of the Board of Directors' meeting in 2015

Name	Attendance/Total Meetings
1. Mr. Sri Prakash Lohia	4/6
2. Mr. Aloke Lohia	6/6
3. Mrs. Suchitra Lohia	6/6
4. Mr. Amit Lohia	3/6
5. Mr. Sashi Prakash Khaitan*	2/6
6. Mr. Dilip Kumar Agarwal	6/6
7. Mr. Udey Paul Singh Gill	5/6
8. Mr. Rathian Srimongkol	6/6
9. Mr. William Ellwood Heinecke	6/6
10. Mr. Maris Samaram	6/6
11. Dr. Siri Ganjarende	5/6
12. Mr. Kanit Si	6/6
13. Mr. Russell Leighton Kekuewa	6/6
14. Mr. Apisak Tantivorawong**	5/5
15. Mr. Chakramon Phasukavanich***	-
16. Mr. Sanjay Ahuja***	-

\*Mr. Sashi Prakash Khaitan resigned from the Board of Directors on November 13, 2015.

\*\*Mr. Apisak Tantivorawong resigned from the Board of Directors on August 17, 2015.

\*\*\*Mr. Chakramon Phasukavanich and Mr. Sanjay Ahuja were appointed by the Board of Directors on November 13, 2015.

#### 8. Performance Measurement of Executive Directors, Group CEO and Management

The Group CEO and other executive Directors have their Key Performance Indicators (KPI) set by the Board on the recommendation of The NCCG committee. This takes the form of a Balanced Scorecard. At the end of each year their performance is used in the calculation of their compensation by the NCCG Committee.

For Senior Management Executives the NCCG Committee reviews and approves on an annual basis the evaluation process and compensation structure and assigns the Human Resources department to approve the annual compensation, including salary, bonus and non-equity incentive compensation. Similarly, the line managers will follow the same principles when evaluating their staffs.

Details discussed in the section “Executive Director, Group CEO and Management Remuneration” below.

#### 9. Remuneration

The current remuneration of Independent Directors and Non-Executive Directors, including bonus, is established based on assignments and responsibilities. Such remuneration proposed by the Board and recommend by the NCCG Committee requires the approval of the Shareholders’ Meeting.

The Policy and criteria followed by the NCCG Committee has been explained above in the section on Approving Directors Remuneration.

In 2015, the total annual remuneration approved at the Annual General Meeting of Shareholders No. 1/2015 held on April 24 2015 was an amount of not exceeding Baht 17,200,000.

The actual remuneration paid in 2015 is Baht 16,081,140 against the approved amount of Baht 17,200,000. The details of the remuneration paid are hereunder:

#### As Directors of the Company

No.	Independent/ Non-Executive Directors	Amount Approved (Baht)	Actual Paid (Baht)
1	Mr. Sri Prakash Lohia	75,000 per month	900,000
2	Mr. Rathian Srimongkol	50,000 per month	600,000
3	Mr. William Ellwood Heinecke	50,000 per month	600,000
4	Mr. Chakramon Phasukavanich*	50,000 per month	100,000
5	Mr. Amit Lohia	50,000 per month	600,000
6	Mr. Maris Samaram	50,000 per month	600,000
7	Dr. Siri Ganjarende	50,000 per month	600,000
8	Mr. Kanit Si	50,000 per month	600,000
9	Mr. Apisak Tantivorawong**	50,000 per month	400,000
10	Mr. Russell Leighton Kekuewa	50,000 per month	600,000
<b>Total</b>			<b>5,600,000</b>

\*Mr. Chakramon Phasukavanich was appointed by the Board on November 13, 2015.

\*\*Mr. Apisak Tantivorawong resigned from the Board effective on August 17, 2015

#### As Audit Committee members

No.	Members	Amount Approved (Baht)	Actual Paid (Baht)
1	Mr. Rathian Srimongkol	75,000 per month	900,000
2	Mr. Maris Samaram	50,000 per month	600,000
3	Dr. Siri Ganjarende	50,000 per month	600,000
<b>Total</b>			<b>2,100,000</b>

#### As Nomination, Compensation and Corporate Governance Committee Members

No.	Members	Amount Approved (Baht)	Actual Paid (Baht)
1	Mr. William Ellwood Heinecke	35,000 per month	420,000
2	Dr. Siri Ganjarende	25,000 per month	300,000
3	Mr. Kanit Si	25,000 per month	300,000
<b>Total</b>			<b>1,020,000</b>

#### As Sustainability and Risk Management Committee Members

No.	Members	Amount approved (Baht)	Actual Paid (Baht)
1	Mr. Rathian Srimongkol	25,000 per month	300,000
2	Mr. Maris Samaram	25,000 per month	300,000
3	Mr. Russell Leighton Kekuewa	25,000 per month	300,000
<b>Total</b>			<b>900,000</b>

#### Bonus to Directors for the performance of 2014

No.	Directors	Actual Paid (Baht)
1	Mr. Sri Prakash Lohia	694,440
2	Mr. Alope Lohia	694,440
3	Mrs. Suchitra Lohia	416,670
4	Mr. Amit Lohia	416,670
5	Mr. Sashi Prakash Khaitan	555,560
6	Mr. Dilip Kumar Agarwal	555,560
7	Mr. Udey Paul Singh Gill	416,670
8	Mr. Rathian Srimongkol	833,330
9	Mr. Maris Samaram	555,560
10	Mr. Chakramon Phasukavanich	277,780
11	Mr. William Ellwood Heinecke	555,560
12	Dr. Siri Ganjarerndee	416,670
13	Mr. Kanit Si	555,560
14	Mr. Apisak Tantivorawong	416,670
<b>Total</b>		<b>7,361,140</b>

The Executive Directors on the IVL Board and Sub-Committees are not paid any retainer fee.

#### 10. Executive Director, Group CEO and Management Remuneration

The key principles followed by the NCCG Committee in determining the compensation are:

- To review and approve on an annual basis the evaluation process and compensation structure for the Company's Executive Directors. The Committee evaluates the performance of the Company's executive directors and approves the annual compensation, including salary, bonus and non-equity incentive compensation for them based on initial recommendations from the Group CEO. Moreover, the Committee maintains regular contact with the leadership of the Company.
- To review and approve on an annual basis the corporate goals and objectives (KPI) with respect to compensation for the Group Chief Executive Officer. The Committee shall evaluate at least once a year the Group Chief Executive Officer's performance in light of these established goals and objectives and based upon these evaluations shall set the Group Chief Executive Officer's annual compensation, including salary, bonus and non-equity incentive compensation (if any).
- To review and approve on an annual basis the evaluation process and compensation structure for the senior executives. The Committee shall approve or may assign the Human Resources

department to approve the annual compensation, including salary, bonus and equity and non-equity incentive compensation for senior executives.

- Base salaries for the Company's Group CEO and Executive Directors depend on the scope of their responsibilities, their capabilities, and the period over which they have performed those responsibilities.
- Annual bonuses for the year and the percent change from the prior year's bonus for senior executive officers are determined after an evaluation of the overall performance of the Company, the performance of the business or function that the officer leads and an assessment of each officer's performance against expectations, which were established at the beginning of the year. The bonuses also reflect (and are proportionate to) the annual financial results of the company.
- Other non-equity compensation is paid as per the HR manual of the Company which is reviewed from time to time.

Remuneration paid to the IVL Management team in 2015 was approx. Baht 98,766,615. The IVL management team comprises of the Group CEO, Executive Director, CEO of PET and Feedstock business, President of PTA business, President of EG/EO business, President of Polyester business, President of Wool business, the Head of Finance and Head of Accounting.

The remuneration of IVL Group CEO includes salary, bonus and perquisites in accordance with the Company's rules and regulations. The Board sets the long and short term KPI for the GCEO.

*No compensation was paid to Directors or Management in the form of shares.*

#### 11. Succession Planning

The NCCG Committee has put into place a Succession Plan for the Group CEO and Key Management team in consultation with the Board.

For all other employees the Global HR department works with line management to create succession plans. To ensure that the succession plans are effective, the Global HR implements employee development and training and also implements a fast track process for those it believes have high potential.

#### 12. Strategy Meeting

The Company holds one Board meeting every year to approve the Company's strategy and Annual Business Plan. This allows the senior management to interact with the Members of the Board for free and frank discussions on future direction of the Company. The Strategy meeting for 2015 was held on January 29, 2015.

#### 13. Professional Development of Directors

The Director who joined the Company during the year was given a Directors Orientation folder with complete information about the Company and its subsidiaries to assist him in getting well acquainted with the business, practices and procedures of the Company and his rights, duties and obligations as Director. In addition orientation meetings were arranged with the management team members.

Apart from the periodic informal meetings with the management teams, the Directors are invited to attend the various business meetings held during the year.

The Board encourages the Board members, Audit Committee members, management team members, Company Secretary and Internal Auditor to attend seminars, training and courses which would assist in further improving their contribution/performance in the Company. IVL encourages the members of the Board to undergo applicable training programs.

The details of all courses attended are in the Directors profiles.

***Our Company's policies, integrity, ethics and disclosures always seek to emulate the best practices in Corporate Governance.***

## People

*Being a global organization, our growth trajectory is contingent on people who thrive in a multicultural world in the workplace and in the market. We ensure that a judicious mix of talent is infused in our workforce. Our employee base includes a broad range of functions and roles globally, from manufacturing and maintenance experts to new product designers and plant workers, from specialists in marketing, sales, logistics, customs, tax and trade, to finance & accounts, managers and many, many more.*

### Our Approach

We believe that it is people who make all the difference. With "People First" as one of IVL's values, our global strategy for Human Resources (HR) is to help unleash this across every area of our business. The HR function along with the leadership team acts as a catalyst to ensures that congruence of vision and values of IVL become the order of the day resulting in accelerating operational and functional excellence.

This fosters an inclusive and collaborative environment where our employees are well poised to address change. Honing the ability of employees to ask the right questions, examining learning opportunities, and continually re-thinking the needs of the business are ever-present priorities that are supported by leaders who coach and inspire.

### Global Workforce Strength

Our global workforce strength can be attributed to an optimal mix of fresh and experienced talent with diverse educational, cultural and national backgrounds. The diversity broadens the talent pool and at the same time, enriches the global views, skills, knowledge, working styles and cultures.

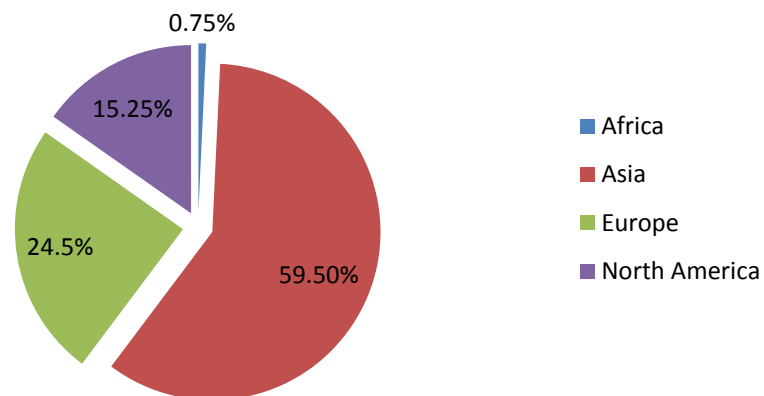
Key highlights of our global workforce in terms of numbers are as follows:

1) Permanent employees

Type of Business	As of December 31, 2015
Feedstock <sup>(1)</sup>	989
PET <sup>(2)</sup>	3309
Fiber	7918
Wool	485
Non-Operating Business	184
<b>Total Permanent Employees</b>	<b>12,885</b>

Remarks: (1) PTA Business and EG/EO Business; (2) Includes workforce of packaging segment

Geographical spread of these employees is in four continents.



#### Acquiring, Managing and Developing Talent

In building our teams, we focus on the company's future business needs and how we can plan for growth. We hire multi-skilled people, both from within the industry and from other relevant sectors. In addition, partnerships with Industrial Training Institutes, Engineering and Management Institutes ensure a steady influx of high quality people getting inducted to fuel the growth plans. In building our teams, we focus on the company's future business needs and how we can plan for growth. HR continues to undertake extensive outreach recruitment activities to identify more qualified and diverse candidates.

We concentrate on key areas that help to sustain our business performance. Our talent strategy focuses on critical assignment planning, manager accountability for coaching and mentoring, and team learning. We also plan to work on ensuring successful leadership transitions, develop the next generation of leaders and grow emerging and diverse talent.



### Training

Talent development is at the heart of building human capital in IVL. The company appreciates in value as employees develop their skills and organizational knowledge. We view training as a whole system and not a one-time event. This means that what happens before and after the actual training is just as important as the training itself. The focus is on following multi-pronged approach embracing the development from technical to behavioural, from organizational to individual level, on-the-job training to e-learning platform.

- a) Organizational level programs are related to CSR, Safety, Health & the Environment.
- b) Functional level programs are grouped in Technical & Functional programs.
- c) Individual level training requirements are addressed through the programs which were related to behavioural and managerial related training.

Some of the global statistics of the training imparted in 2015 across all locations of IVL speaks about the intensity and the coverage of employees.

#### **Note: 1- Environment, Health and Safety including CSR training**

Focus Area	Batch	No. of Participants	Training Hours
Behavior	903	2,916	82,219
EHS	6,696	8,051	22,250
Functional	20,531	23,374	247,603
Managerial	1,188	2,651	40,404
Quality System	1,884	3,373	50,630
Technical	544	3,682	37,544
<b>Total</b>	<b>31,746</b>	<b>44,047</b>	<b>480,651</b>

### Role of Manager to Inspire Individuals and Teams

IVL's commitment to its workforce includes enabling managers and leaders to be levers for accelerating the company's growth. We invest in our leaders by providing learning and development opportunities that teach managers how to amplify their employees' talent, energy and capabilities. Being a "talent multiplier" is not about making people work harder, but about engaging them in a way that helps them produce better and more relevant work.

The senior management has four principles of manager excellence: lead, coach, drive and inspire. These principles define how we reach our individual and collective potential. Managers are role models who inspire their teams, live the passion for excellence and promote creative environments for best thinking and work.

IVL equips leaders to plan, land and grow individual talent, align strategy and manage team performance, celebrate and reward performance and drive excellence across the organization.

### Succession Planning

The planned talent reviews plays a key role in deepening the strength of our bench and help leaders make thoughtful choices about putting the right people to work in the right areas. In these reviews, leaders will be accountable for improving the performance, potential, diversity and continuity of their teams while ensuring the highest return on investments in our talent. This comprehensive career approach will strengthen our globally diverse talent with the critical experiences and leadership skills they need to achieve IVL's business objectives and realize their own potential.

### Rewards and Benefits

The compensation system is designed to take care of country specific requirements in terms of statutory benefits, business and individual. We have devised both business segment performance and individual performance linked incentive programs that link the performance to compensation at individual level. We measure our compensation packages against industry standards and seek to match or exceed them.

### Culture

At IVL, we want an open and creative culture that harnesses diversity and inclusion to inspire ideas and ignite innovation. All units are unique in terms of their culture. However, Operation Excellence and innovation has brought signification shift in the culture of saving cost and development of new products.

There is an emphasis for expats to learn local language to help them to get integrated with the local culture easily. Learning of local language by expats is given additional incentive in terms of remuneration. We recognize there is no single approach nor is there a finish line to this type of work. There are many factors that need to be in play to create high-performing, diverse and inclusive teams. Team composition, manager excellence and team culture are all critical to success. While we take an innovative approach to this work, we balance it with the need to offer the fundamentals through education and awareness programs. These basic principles of diversity and inclusion not only make IVL a better company, but have the ability to contribute to making a better world. Gender diversity is also an important criterion and hence the ratio of female is about 26% in the workforce.

### Health and Safety

We promote and manage a healthy and safe working environment for employees. We offer everything from healthy-living pledges included in employee-benefit plans to risk-based safety assessments and tracking globally. We provide extensive safety training to employees based on the type of job they do and the level of risk associated with that job.

We track and assess recordable and lost-time incident rates against industry and benchmarked world-class averages. Measured facilities include high-risk facilities, consisting of distribution centers, in-house manufacturing and high employee population locations. We use internal and external audits

to assess facility performance, on a one- to three-year cycle based on performance and risk profile – targeting high-hazard and large-population facilities. We audit for compliance with IVL's environmental, safety and health standards.

**Material Labour Disputes in Past 3 Years**

Since the establishment, the Company never had any material labour dispute.

## 10. Corporate Social Responsibilities (CSR)

### 10.1 Sustainability: Overview

#### **Sustainability Vision and Commitments**

Indorama Ventures has set itself a very clear ambition “to be one of the most admired companies in the world”. To realize this vision, we believe sustainability is a core element of business driver. IVL takes a long-term perspective on the development of the business and acts with respect and responsibility towards all its stakeholders. We have integrated the principle of social responsibility and sustainability into the Company’s strategy and management systems to ensure the highest standards in all aspect of our business practices worldwide.

Our social responsibility and sustainability begins with conducting our activity with excellence. We strive to be recognized by our stakeholders for upholding the highest standards of integrity in all of our actions.

Indorama Ventures adopt the following principle of conduct and integrate as a core component of our business activities around the world. We believe that these principles serve as the basis for us to fulfil our roles and responsibilities as a corporate citizen and are essence to be widely recognized benchmarks for trustworthy businesses. We must always strive to:

- **Comply with legal and regulatory requirements**

We are committed to fully comply with applicable national and international legislation, regulations and regulatory obligations, with the adoption of voluntary commitments, rules and guidelines in the regions and countries where we operate.

- **Respect human rights**

IVL is committed to fulfilling its responsibility on human rights in all of its companies and locations where we do business and throughout our supply chain. We fully support and adhere to the principles of the Universal Declaration of Human Rights and its two corresponding covenants, The International Covenant on Civil and Political Rights and The International Covenant on Economic, Social, and Cultural Rights across all of our businesses.

It is our responsibility to ensure the best possible respect of human rights in every context including labor practices, child labor, fair treatment, equality and non-discrimination, upon the terms set out in our Policy on Human Rights at [www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance).

- **Earn honesty and trust**

Indorama Ventures considers fair and ethical business practices to be the foundation of social responsibility that we must fulfil. We strive to gain trust by treating others with integrity, transparency, respect and fairness. We are committed to conduct business in a manner that is free, fair, legal and in environment of mutual respect as set out in our code of conduct, Policy on the Treatment of Customers and Business Partners and Competitors Policy.

Our standards of business competition are following antitrust and competition laws in every country in which we operate. We act straightforwardly in all our business dealings and do not discriminate against any person.

We believe in the importance of respecting their privacy and confidentiality. Our policy on intellectual property applies to the Company's property as well as others. We make every effort not to infringe upon the intellectual property rights of all of those with whom we do business. Intellectual property includes copyrights, patents, trademarks or trade secrets.

To support a climate of openness, honesty and trust, we have a Whistleblower Policy that specifies grievance procedures. This policy offers employees the opportunity to raise any concerns regarding unethical behavior or misconduct. Details of grievance procedure can be found on Whistleblower Policy on corporate website at [www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance).

#### ▪ **Maintain integrity**

At Indorama Ventures, business integrity covers all of our interactions with individuals, both inside and outside the Company. We are committed to uphold the highest standards of integrity and conduct our business in an honest, fair and transparent manner as set out in our Code of Conduct at [www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance).

We do not tolerate, permit or engage in bribery and corruption of any kind in our business dealings anywhere in the world. We have developed an Anti-corruption Policy and deployed it across the Company, with systems and procedures in place for periodic training to ensure comprehension and implementation.

Details on our commitment to conduct business legally, ethically and with integrity can be founded on our website at [www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance).

#### ▪ **Promote fair employment and work practices**

Indorama Ventures is committed to treating our people fairly and with respect. Our Human Resources Policy outlines our principle of fair employment and work practices which include:

- Non-discriminatory recruitment and selection practices to ensure equal employment opportunity
- Promote fair treatment and equality opportunity within the Company working environment
- Facilitate equal access to training and development opportunities based on employee's strengths and needs to achieve their full potential
- Reward employees fairly based on their ability, performance, contribution and experience
- Promote and maintain health and safety working environment

The Human Resources Policy will be subject to review on a regular basis to keep it current with the requirement of business and changing dynamics in the job market. Details on Human Resources Policy can be found on our website ([www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance)).

▪ **Deliver best value to customers**

We value the customer at every level of the Company and have made customer satisfaction one of our goals and that is reflected in our mission statement, whereby we focus our activities to achieve customer delight and loyalty for a long- lasting relationship.

We are committed to operating in a way which is fair, transparent, and non-discriminatory and delivers to the highest levels of professionalism and integrity. We seek to better understand our customers' unique requirements and their current business needs. We always deliver our products and services to fully meet our customers' expectations today and their long-term requirements. We want our customers to see IVL as their best business partner.

IVL respects individual rights of customers and committed to keeping individual customers information accurate, confidential, and not to disclose to a third party. We have developed a Policy on the Treatment of Customers to explain our practices for appropriate handling of customer information.

IVL value trustworthiness, honesty and open communications. We provide accurate, sufficient and useful information to customers and keep our customers up-to-date with new developments. In any communication, we aim not to mislead customers by providing false or exaggerated information.

We are committed to developing and providing high quality and safe products. We continuously improve our processes and products and stay current with new regulation and industry best practices. Details about third-party certification and quality standards can be founded at [www.indoramaventures.com/businessoperations](http://www.indoramaventures.com/businessoperations).

▪ **Protect the environments**

We give high priority to environment issues and aim to gear all our business activities toward protecting and conserving environment everywhere we conduct business. Our Environmental Policy outlines our responsibility and commitment in relation to manage and minimize the environmental impacts of our activities, operations and people.

We strive to continuously improve our environmental performance and conduct our worldwide operations in compliance with all relevant environmental laws and regulations. We implement environmental management standard based upon ISO 14001. The progress on environmental activities is monitored through the assessment of key performance indicators. Details of our environmental performance can be found in our Sustainability Report 2015.

- **Contribute to local community**

We are not only a business entity but also a member of the local communities in which we operate. Our social responsibility initiatives are focused on working with external environment where responsibility was built on social needs and grounded in a risk and reputation management. We aim to support local community initiatives, play active role in the development of the communities where we operate and create value for all our stakeholders.

## **10.2 Sustainability Performance and Reporting**

### **Stakeholder Identification and Analysis**

Engagement is about bringing the voices of stakeholders into decisions that affect or interest them. Our engagement programs help us to understand and respond to their concerns and expectations.

Responsibility for stakeholder engagement and management is decentralized. Individual business units or functions are responsible for identifying and evaluating stakeholder concerns in their particular areas. At group level, the SSC oversees all engagement and bringing potential gaps that may exist to the SRMC's attention.

Stakeholder identification has been done through a brainstorming process to collect a list of people who stand to gain or lose economically, socially and environmentally through the actions of the Company. To develop a good understanding of our stakeholders, we draw out stakeholders' expectations, interests, benefits and their concerns. Then, we prioritized and determined how to engage the different stakeholders.

Communicating with and listening to our stakeholders enable us to prioritize issues effectively and contribute to our overall sustainability strategy. We also see stakeholder engagement as a way to drive innovation, mitigate risks and build trusting relationships.

We have tailored our engagement processes using different communications methods to suit each different stakeholder group. To help us deliver our commitment, we intend to improve our stakeholder engagement process continuously.

### **Our Approach to Sustainability Reporting**

As part of our commitment to transparency and strengthening our engagement with stakeholders regarding our sustainability efforts, we publish our sustainability report annually. This report provides insight into our approach to sustainability, objectives, strategy and performance.

In our sustainability reporting system, we aim to cover all factories with IVL's operational control including wholly-owned subsidiaries and majority-owned joint ventures worldwide.

Data in the Sustainability Report covers performance during the 12 month-period of 2015 calendar year. The report is prepared in accordance to Sustainability Reporting Guidelines of Global Reporting



Initiatives Generation 4 (GRI G4). We issue our Sustainability Report on an annual basis. It is available on our website at [www.indoramaventures.com/sustainability](http://www.indoramaventures.com/sustainability).

We believe in accurate and transparent reporting, content and data disclosed in our sustainability report is independently verified by external assurance. Indicators were selected for assurance based on the issues and indicators that are most significant to the sustainability performance of the business, as well as the key risks identified by the whole group.

### ***Sustainability and Risk Management Governance***

To ensure compliance with these principles and drive sustainable practices forward, we have reorganized a Sustainability and Risk Management governing structure to be more effective in guiding and managing sustainability and corporate responsibility within the Company. This structure involved with multi-level, cross functional leadership committees at the board, executive leadership and management levels of the organization.

Driving sustainability into the Company operations starts from the top. The board has embedded environmental, social and governance matters into its risk management processes and set up the Sustainability and Risk Management Committee (SRMC) as the highest sustainability governance body. The SRMC is chaired by the Group CEO and made of senior executive members, including independent directors. The objective of the SRMC is to provide oversight and assist the Board in fulfilling its responsibilities in respect of the Company's Risk Management and sustainable development to ensure its effectiveness. Details on Sustainability and Risk Management Committee Charter can be founded on the website at [www.indoramaventures.com/corporategovernance](http://www.indoramaventures.com/corporategovernance).

The Sustainability Steering Committee (SSC) is a sub-committee of the SRMC with specific executive responsibility to oversee and guide along with the senior leadership from three main business segments for implementing sustainability strategy at site level. Specific responsibilities are delegated to senior leaders to continuously improve all aspects of economic, environmental and social at all our operations around the world.

### ***Sustainability and Risk Management Governing Structure***

This clear framework and structure for the governance of sustainability allow us to effectively manage sustainability and ensure accountability runs right to the top and reach across core functions of the Company.

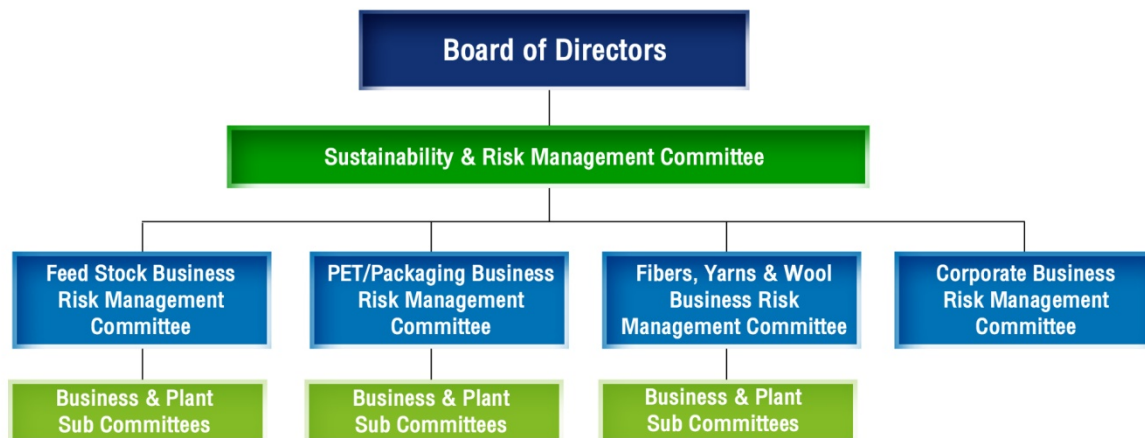
The structure demonstrates the hierarchy of bodies responsible for sustainability and risk management, which can be founded on our website at [www.indoramaventures.com/sustaiianbility](http://www.indoramaventures.com/sustaiianbility).

### ***Risk Management***

IVL has an effective Enterprise Risk Management framework with top-down and bottom-up approach of risk management which enables effective system and process to identify and manage business risks at all levels. The Board of Directors of the Company has been embedding risk management into

overall long term business strategy, corporate culture and day to day operations through SRMC and other committees at the respective business segments and plants. The Sustainability and Risk Management Charter emphasizes developing awareness of risk and embedding a prudent 'Risk Culture' throughout the organisation. The Board has assigned SRMC the responsibility of reviewing Company's overall risk exposure and apprise the Board of risks with potentially significant impact and also to ensure robust processes, procedures and policies are in place.

There is no business without any risk, doing business inherently involves taking risks. However, at IVL with competent members in various risk management committees and effective risk management structure throughout the organisation strives to mitigate every risk after systematic evaluation and assessment based on the probability, severity and impact to the organisation. Risk management is a core essential element of our corporate governance and strategy development. The following is the Risk Management Structure of the Company.



### **Materiality Assessment**

We value the opinions of our stakeholders and take into account both internal and external stakeholder views. By understanding their expectations and take actions on what matter most, we can work together to create shared value. This is why we carry out annual materiality assessment to reassess the sustainability-related issues and identify the activities that add the most value for us and society.

In 2015, we expanded our assessment of material issues by incorporating external stakeholders for the first time and included more participation from senior executive's level in the process. Our 2015 sustainability materiality assessment includes feedback from internal and external stakeholders.

Followed our materiality assessment process in 2014, we began engagement process with representative members of each stakeholder group to identify and prioritize the most significant sustainability topics. The process consists of:

(1) Internal Discussion

The Sustainability Steering Committee undertook internal discussion to revise the list of sustainability-related issues we should bring to internal and external stakeholders in order to conduct a materiality assessment based on potential impact to IVL, global trends, legal and regulatory issues and industry-wide benchmarks. 26 sustainability-related issues were shortlisted.

(2) Executive Engagement

A set of sustainability issues was presented to the Sustainability and Risk Management Committee (SRMC) and representatives from the Board of Director for approval. Input from this executive engagement was integrated into the final list of sustainability issues.

(3) Webinar

Prior to the distribution of the survey, webinars were conducted to engage all relevant internal stakeholders and ensure consistent understanding across all IVL companies regarding the rating of material issues.

(4) Materiality Survey

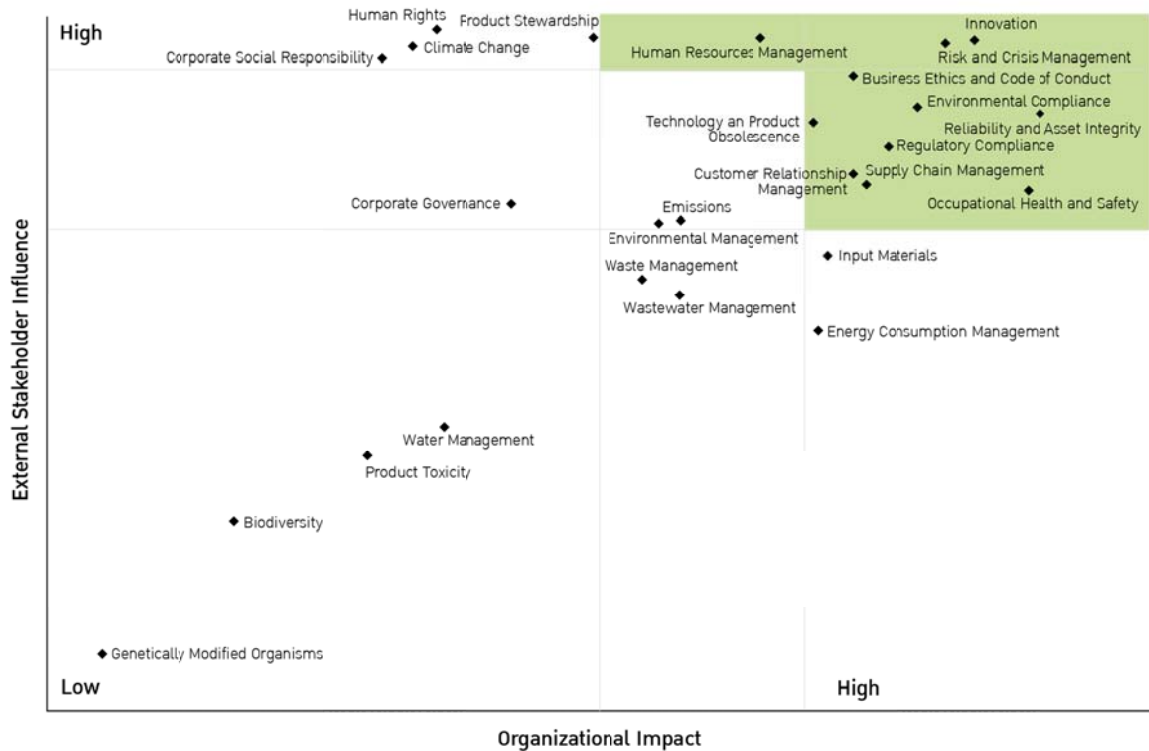
Internal Stakeholders

We have adjusted a standard questionnaire template to be more concise and distributed to global internal stakeholders ranging from site heads, business heads to corporate level heads. In total, data was collected from all sites, representing all businesses. A total of 19 countries were represented in the questionnaire response.

External Stakeholders

External stakeholders were surveyed using telephone discussion conducted by third party. These interviews covered key external stakeholders.

Inputs were combined and the results were discussed and confirmed internally by the Sustainability Steering Committee. Our material issues were mapped with regard to the degree of stakeholder importance and the impact on IVL, in accordance with GRI G4 requirements, as below;



As a result of the assessment, the top eight economic, environmental and social issues that our stakeholders and Indorama Ventures consider to be most materials to our company are:

1. Governance and Compliance
2. Customer Relationship Management
3. Innovation Management
4. Operational Efficiency
5. Environmental Compliance
6. Health and Safety
7. Human Resources
8. Supply Chain Management

Our approach, key initiatives and performance on all material issues identified are reported in our Sustainability Report 2015 and published on IVL website ([www.indoramaventures.com/sustainability](http://www.indoramaventures.com/sustainability)).

### 10.5 Anti-corruption

#### (1) Anti-corruption Policy

Indorama Ventures is committed to conducting its global business honestly, fairly, without corruption or acts of bribery and with accountability and embraces the values of being an anti-corruption-driven organization, therefore this is one of our key commitments to foster the ethics needed to counter corruption in our culture. For this reason, Indorama Ventures participated in the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) and undertook the CAC certification process, to which the company became a signatory in 2013, to demonstrate our firm commitment

against anti-corruption and bribery. Our anti-corruption momentum continued its applicability to all subsidiaries and affiliates as the Company issued an anti-corruption policy as part of the company's corporate governance policies in January 2014, to ensure that the company and its subsidiaries have the appropriate systems and procedures to prevent bribery and corruption. As part of the continuation of our anti-corruption compliance program, Indorama Ventures employees shall be informed about Anti-corruption and Whistleblower policies from the beginning of their employment through a corporate governance policy handbook and an orientation. To ensure that these two policies are well communicated to our employees, the company started conducting anti-corruption training courses in July 2014. With our effort and outstanding commitment to anti-corruption practices, Indorama Ventures received CAC certification in October 2014.

The Company explicitly prohibits bribery in any form, directly or indirectly, including making, promising, offering, or authorizing a payment or a gift to an agent, business partner, government official, political party or any other third party for the purpose of corrupting the recipient into performing an improper exercise of functions, duties or judgments and vice versa. The policies and practices are annually reviewed to keep it current with the requirement of good business practice and ensure the effective implementation.

## (2) Performance

The Company has set up policies and practices that guide us to conduct our business in an honorable manner, mindful of the long-term effects on the company of everything we do. Commencing at the top, directors adopt a Code of Conduct for Directors, which provides guidelines aimed at maintaining high ethical standards, corporate behavior and accountability within the Company. The Board of Directors is responsible for the effective design, implementation and operation of the anti-corruption policy. The management shall be responsible for ensuring effective systems are in place to prevent corruption in any form and the Internal Audit Department shall monitor the systems periodically and report to the Audit Committee. We also are currently expanding anti-corruption practices as part of supply chain implementation through a supplier code of conduct.

The risk of bribery and corruption will be reviewed by the Audit Committee who shall carry out an annual internal review of the anti-corruption policy to ensure its effectiveness and make recommendations to the Board for revisions to the policy if required.

Indorama Ventures has in place internal controls to ensure the continued reliability and accuracy of financial information and systems across all its subsidiaries and affiliates globally. The Board of Directors has assigned the Audit Committee to supervise the financial reporting process of the Company and its subsidiaries in accordance with generally accepted and consistently applied accounting standards and in line with the rules and regulations of the Thai Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as well as relevant legislations. The Company has in-house Internal Audit Department reporting directly to the Audit Committee. The

Internal Audit Department is responsible for reviewing the adequacy of internal control systems on a global basis for the Company.

The Company and its subsidiaries and affiliates prepare and maintain records accurately in accordance with Thai GAAP, IFRS and other applicable standards. The units have in place their respective delegation and financial authorities which clearly classifies the type of approvals and payments as well as the level of authorization.

The Company's quarterly consolidated financial statements are reviewed and approved by the Audit Committee in their quarterly meeting along with the auditors. The Audit Committee also reviews the annual audited financial statements and recommends to the Board for their consideration and approval. The Internal Audit Department reviews the internal control system throughout the various business processes across subsidiaries globally in accordance with the annual Internal Audit plan approved by the Audit Committee.

The company commenced conducting anti-corruption training in July 2014. The aim is to provide employees with straightforward communication regarding our firm's zero tolerance of corruption, as well as to address practical guidelines and specific forms of corrupt activities that may arise in the course of the company operations. The training was separately run in Thai and English to accommodate all of our employees. In 2015, the company extended the anti-corruption training program to cover our employees at plant sites in Thailand and overseas. Over 2,700 employees have participated in our training courses.

As part of our continuous global campaign, anti-corruption training video and brochure were disseminated to overseas units to ensure that our policies are communicated, and the same standard practice made available worldwide.

## 11. Internal Control and Risk Management

The Board of Directors has assigned the Audit Committee to review the financial reporting process of the Company and its subsidiaries in accordance with generally accepted and consistently applied accounting standards in line with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as well as concerned legislation. The responsibilities of the Audit Committee include reviewing the Company performance in compliance with corporate governance principles, maintaining suitable, effective, and well-recognized internal control and audit systems; the selection and recommendation of external auditors, and any other tasks as designated by the Board of Directors.

The Company has in-house Internal Audit Department reporting to the Audit Committee. The Internal Audit Department is responsible for reviewing the adequacy of internal control systems for IVL and its subsidiaries. The Internal Audit Department reports its findings and recommendations to the Management and the Audit Committee. The internal control reviews are performed to ensure existence of an effective system of internal controls which provide reasonable assurance for achievement of Company's objectives.

The Board of Directors of the Company in the Meeting No. 1/2016 held on 27 January 2016 which was attended by all members of the Audit Committee, after considering the recommendation of the Audit Committee, has evaluated the opinion for the internal control systems of the Company and its subsidiaries for the year 2015 and found the internal control systems to be adequate. Below is a summary of the IVL's internal control systems as per COSO framework.

### Control Environment

IVL prepares its one-year and five-year business plan which is approved by the Board of Directors of the company. This forms the basis of employee goals and objectives at all the operating units and the steps to be followed in achieving the Company's objectives. The Company's objective are reviewed from time to time. The Company has a well-structured organization in place which indicates the individual's responsibility for key businesses and other functions. All employees have been provided the IVL Policies Handbook which contains all policies that adequately improve the control environment. IVL has a detailed Code of Conduct for its Directors, executives and employees. The Code of Conduct of the Company has been announced to all the employees of the Company and is signed off by them. The Company has a Policy on Internal Information Control and Usage of Inside Information to regulate all employees in keeping confidential the Company's information and shall not disclose any confidential information with the aim to seek benefit for oneself or other persons. Further, the Anti-Corruption Policy has been implemented to conduct its global business honestly, fairly, without corruption or act of bribery and with accountability. Such policies are published on the website of Indorama Ventures Public Company Limited.



**Risk Assessment**

IVL has Sustainability and Risk Management Committee. The Company's Sustainability and Risks Management Committee reviews Company's overall risk exposure and apprise the Board of risks with potentially significant impact to ensure robust processes, procedures and policies are in place. In addition, there is an effective process to evaluate and advise the Board on significant risks and uncertainties that could impact sustainable profitable growth. The Committee reports to the Board on a periodic basis on the activities of the Committee and evaluate its performance on an annual basis by reference to their charter and current best practices.

Respective Business Heads who are members of Sustainability and Risk Management Committee also closely monitor key business risks. The Sustainability and Risk Management Committee reviews the sensitivity analysis of the business plan, greenfield and M&A projects.

**Control Activities**

All operating units of IVL have policies and procedures in writing with regard to general management, procurement, sales and marketing and financial activities for all its units. This, together with the financial authority manual ensures that adequate controls and checks are exercised by the management to operate efficiently and to mitigate the risk of frauds or misappropriations. There is an adequate segregation of duties in respect of authorization, recording and custody of assets at all units.

There is an internal policy on connected transactions which very clearly stipulates what is a connected transaction, who is a connected/related party and the procedure to be followed in case the Company enters into a connected transaction. All connected transactions have to follow the rules and regulations of the SEC/SET. Under said Regulations of the SEC/SET, depending on the size of the transaction, a new connected transaction is reviewed by the Audit Committee and recommended to the Board for their approval. Every quarter, a statement of all connected transaction is submitted to the Audit Committee and the Board. All subsidiaries and associates of IVL have common directors who regularly monitor the operations of the subsidiaries and ensure that they are in line with the overall objectives of IVL. The IVL Board is briefed regularly on the performance of the subsidiaries. Minutes of subsidiary units are provided at each quarterly meeting of the Board.

Compliance confirmation is obtained from the respective Plant Head confirming or informing the status of the compliance with all applicable laws and regulations, statutory filings are reported to the Audit Committee on a quarterly basis and to the Board on an as-needed basis.

**Information and Communication**

The Company and its management ensure adequate and sufficient information is provided to the Board for their review and consideration. The minutes of the meeting of Board of Directors are prepared by the Company Secretary. The minutes cover all aspects of discussion held during the

Board meeting. The minutes of the meeting are reviewed by all directors and signed off by the Chairman of the Meeting. The Company Secretary and Audit Committee Secretary fulfil any requirement or information needed to provide assistance to the Directors as they request. The Company has a Whistleblower Policy which provides channels for employees to lodge any anonymous complaints. The website of the Company provides various communication channels for external parties e.g. Company Secretary, Investor Relations, HR Department etc. The Legal & Secretarial Department of the Company is authorized to communicate with the regulators. The Company website provides a channel of communication to external parties who can contact directly with independent directors by sending an email to [independentdirectors@indorama.net](mailto:independentdirectors@indorama.net)

## **Monitoring**

Annual operational and performance budget of IVL and its subsidiaries are reviewed and approved by the Board of Directors. The Company's quarterly consolidated financial statements are reviewed and approved by the Audit Committee. Further, the Audit Committee reviews the annual audited financial statements and recommends to the Board for their consideration and approval.

The Company's Internal Audit Department reviews the internal control system throughout the various business processes across subsidiaries as per the annual Internal Audit Plan approved by the Audit Committee. Moreover at each quarterly meeting, the Audit Committee also reviews a management letter from external auditors. The Audit Committee reviews the activities of the Internal Audit Department on a semi-annual basis. Audit Committee also review the status update on implementation of outstanding recommendations periodically.

## **Head of Internal Audit and Head of Compliance**

### **1. Head of Internal Audit**

The Company has its own Internal Audit Department, Internal Audit Manual and Internal Audit Charter. The Audit Committee has the authority to approve the appointment, transfer and dismissal of the Head of Internal Audit. The Audit Committee has appointed Mr. Anil Kumar Ailani as Head of Internal Audit of IVL.

### **2. Head of Compliance**

The Company has appointed the Company Secretary, Mr. Souvik Roy Chowdhury as the Head of Compliance in order to review and evaluate the various statutory and legal compliances for all IVL units and to ensure that they are in accordance with the applicable rules and regulations and company policies.

## 12. Connected Transaction

The connected transactions occur in the normal course of business and the pricing is akin to market prices or at arm's length basis that would normally be charged to/by any other customers/suppliers with comparable and reasonable terms and conditions. The following is a summary of such transactions as at 31 December 2015:

Connected Party & Relationship	Type of transaction	(Amount in MB)	
		2014	2015
Indo Rama Synthetics (India) Ltd.  Mr. Om Prakash Lohia, a major shareholder of Indo Rama Synthetics (India) Ltd., is a blood brother of Mr. Sri Prakash Lohia and Mr. Alope Lohia	Sale of raw materials/products	4,279.57	1,137.47
PT. Indorama Synthetics Tbk.  Mr. Sri Prakash Lohia is a major shareholder of PT. Indorama Synthetics Tbk	Sale of raw materials/products/ rendering of services	1,220.91	1,384.04
	Purchase of raw materials/products/ services	394.26	678.20
PT. Indorama Petrochemicals  Jointly controlled company (IVL indirectly holds 43% of the shares) and Mr. Sri Prakash Lohia is a major shareholder of PT. Indorama Petrochemicals	Sale of raw materials/products/ rendering of services	17.92	857.43
	Purchase of raw materials/products/ services	9,745.91	7,705.80
Indorama Eleme Petrochemicals Ltd.  Mr. Sri Prakash Lohia is a major shareholder of Indorama Eleme Petrochemicals Ltd.	Purchase of raw materials/products/ services	24.65	29.55
Pacific Resources Ltd.  Mr. Anuj Lohia, a son of Mr. Alope Lohia, is the major shareholder of Pacific Resources Ltd.	Service expense (Office Lease)	6.69	7.17
Cryoviva (Thailand) Ltd.  Mr. Alope Lohia is a director of Cryoviva (Thailand) Ltd.	Service income (Office Lease)	2.20	1.13
PT. Irama Unggul  Mr. Sri Prakash Lohia family is a major shareholder of PT. Irama Unggul	Service expense (Office Lease)	1.19	1.18
Lohia Global Holdings Limited  Mr. Mohan Lal Lohia, a major shareholder of Lohia Global Holdings Limited, is a father of Mr. Sri Prakash Lohia and Mr. Alope Lohia	Service expense (Royalty Fee – Indorama Wordmark)	100.84	119.79

Connected Party & Relationship	Type of transaction	(Amount in MB)	
		2014	2015
Vega Aviation Limited  Mr. Sri Prakash Lohia and Mr. Alope Lohia are the major shareholders of Vega Aviation Ltd.	Service expense (Aircraft Lease)	81.20	85.72
Indorama Commerce DMCC  Mr. Sri Prakash Lohia is a major shareholder of Indorama Commerce DMCC	Service expense (Man Power)	7.93	13.85

### ***The Audit Committee Opinion on the Connected Transaction***

The above connected transactions have been considered and opined by the Company's Audit Committee that the aforesaid connected transactions are reasonable and undertaken in the interest of the Company's business. While entering into these transactions, the Committee considers the best interest of the Company. No additional benefit has been transferred between the Company and the persons who have the conflict of interest.

### ***Policy and Procedure to Approve the Connected Transaction***

In the event that the Company carries out its business with the connected persons who may have a conflict of interest with the Company, the Audit Committee will express its opinion regarding the necessity of such transactions. The Audit Committee will ensure that terms and conditions of these transactions are consistent with market practice and prices charged for these transactions are evaluated and compared with market prices. In the event that market price is not available, the Audit Committee must ensure that these prices are reasonable and the transactions are carried out in the best interest of the Company. If the Audit Committee is unable to evaluate connected transactions due to lack of expertise in certain areas, the Company will arrange an independent expert to evaluate and give opinion on such transactions. The Board of Directors or Audit Committee or the Company shareholders, as the case may be, will use this opinion from the independent expert as a supplement to form their own conclusion. Those directors who may have conflict of interest with the Company are prohibited from either voting or attending the meeting on matters regarding to the said connected transactions and disclose in Annual Report and Annual Registration Statement (Form 56-1).

### ***Policy on the Entering into a New Connected Transaction***

For any new connected transaction, the respective unit would need to contact the Secretary of the Audit Committee and inform about the proposed transaction, its rationale, value of transaction, pricing, terms and conditions in order for the Secretary of the Audit Committee to classify under which category of connected transaction it would fall into and to get necessary approval from the Management/Audit Committee/ Board/Shareholders as required. Moreover, the Company will ensure that such transactions are carried out in compliance with the SEC Act, Rules, Notifications and Regulations of the Capital Market Supervisory Board, SEC and SET. In addition, the Company must

also comply with the disclosure rules related to connected transactions and the Company's policy. All connected transactions are reviewed and confirmed by the Internal Audit department.