

Part 2

Management and Corporate Governance

7. Securities Information and Shareholders

7.1 Securities of the Company

As of 31 December 2017, 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 5,245,411,431 divided into 5,245,411,431 ordinary shares with the par value of Baht 1 per share

7.2 Shareholders

1) Major Shareholders of IVL (as of December 31, 2017)¹

a) Top Ten Major Shareholders

No.	Shareholders	No. of Shares	%
1.	Indorama Resources Limited ²	3,325,642,213	63.40
2.	Thai NVDR Ltd.	383,289,457	7.31
3.	Bangkok Bank PCL. ³	253,199,038	4.83
4.	Canopus International Limited ²	130,000,000	2.48
5.	State Street Europe Limited	62,343,835	1.19
6.	GIC Private Limited	56,032,090	1.07
7.	HSBC (Singapore) Nominees Pte. Ltd.	39,366,752	0.75
8.	Chase Nominees Limited	33,540,362	0.64
9.	GPF (EQ-TH)	22,970,600	0.44
10.	UBS AG Singapore Branch	20,421,258	0.39

Remarks: ¹ The Company Secretary has updated the list of major shareholders of the Company to Board of Directors and senior managements every quarter.

²	Group of Lohia Family	No. of Shares	%
-	Indorama Resources Limited*	3,325,642,213	63.40
-	Canopus International Limited**	130,000,000	2.48
-	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 50% in Canopus International Limited while the remaining voting rights of 24% and 50% of equity interest is effectively controlled and held for the benefit of Mr. Sri Prakash Lohia and his immediate family.

³	Group of Bangkok Bank	No. of Shares	%
-	Bangkok Bank PCL.	253,199,038	4.83
-	Bangkok Insurance PCL.	449,944	0.01

- 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 holding IVL's shares at 65.88 percent

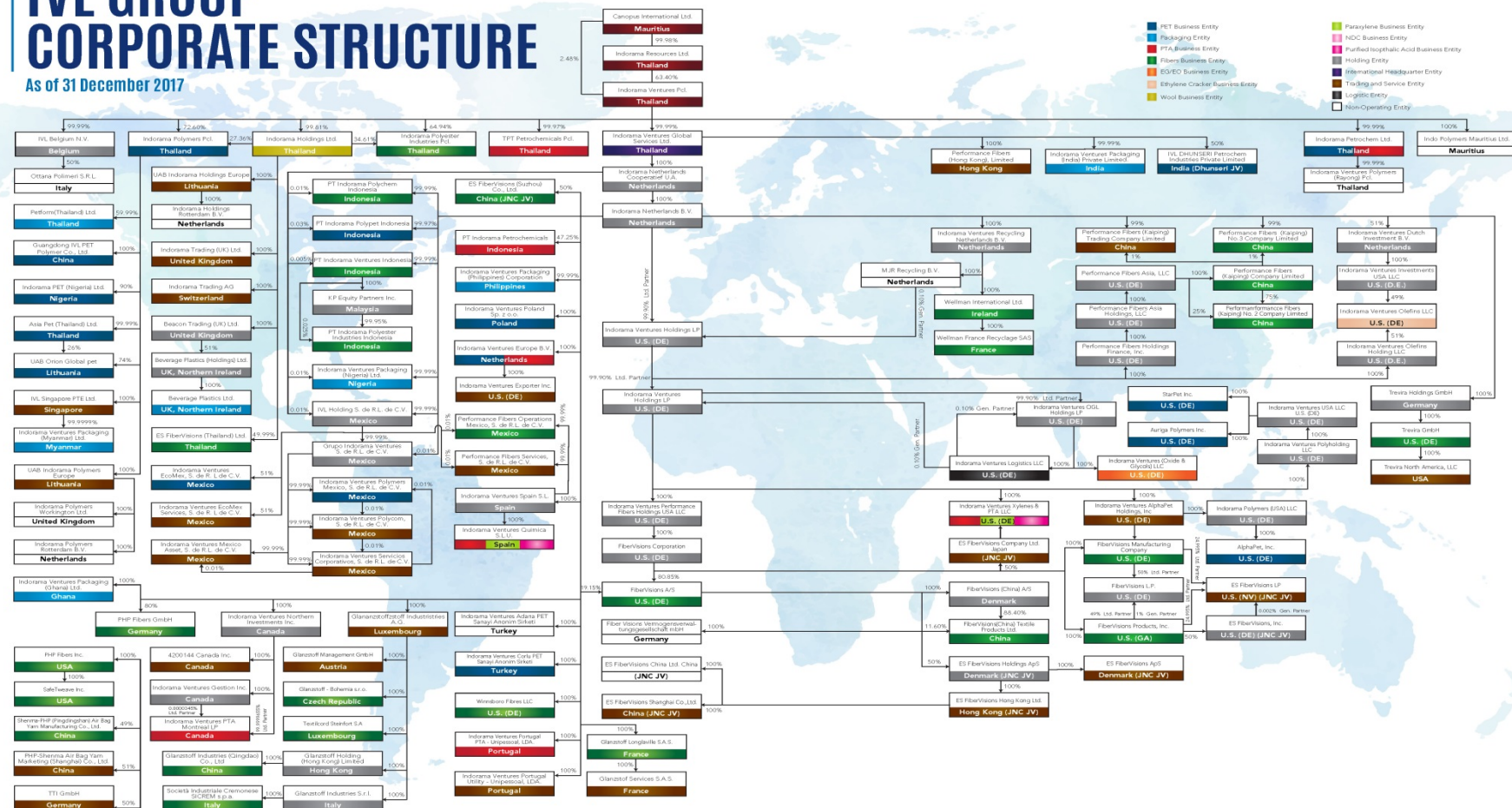
- c) *The ultimate shareholders of the Company*

Indorama Resources Limited* holds 63.40 percent and Canopus International Limited** holds 2.48 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 50% 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 50%, 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 22nd September 2011, the annual general meeting of shareholders held on 29th April 2013 and the annual general meeting of shareholders held on 24th April 2015, approved the issue of debentures totally not exceeding Baht 75,000 million.

During year 2017, the Company had redeemed unsubordinated and unsecured debentures on maturity date on 17th March 2017 and 5th April 2017 totally amount of Baht 5,500 million, and had issued two unsubordinated and unsecured debentures on 4th May 2017 and 16th November 2017 in the amount of Baht 7,500 million and Baht 2,000 million, respectively.

As at 31st December 2017, the Company had outstanding unsubordinated and unsecured debentures totalling Baht 36,400 million and the subordinated perpetual debentures totalling Baht 15,000 million as follows:

Debenture issued on 19th October 2011:

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
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
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
Total		4,600			

Debenture issued on 5th April 2012:

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
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
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
Total		5,400			

Debenture issued on 14th 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
Total		4,780			

Debenture issued on 27th 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
Total		2,170			

Debenture issued on 14th March 2014:

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
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
Total		2,200			

Debenture issued on 31st 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
Total		15,000			

Debenture issued on 13th October 2015:

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL22OA	Debentures of INDORAMA VENTURES No. 1/2015 Tranche 1	500	4.00%	7 years	13 October 2022
IVL25OA	Debentures of INDORAMA VENTURES No. 1/2015 Tranche 2	1,100	4.20%	10 years	13 October 2025
Total		1,600			

Debenture issued on 9th 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
Total		1,150			

Debenture issued on 20th October 2016:

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL21OC	Debentures of INDORAMA VENTURES No. 1/2016 Tranche 1	300	2.88%	5 years	20 October 2021
IVL26OA	Debentures of INDORAMA VENTURES No. 1/2016 Tranche 2	200	3.68%	10 years	20 October 2026
IVL28OA	Debentures of INDORAMA VENTURES No. 1/2016 Tranche 3 *	2,200	4.10%	12 years	20 October 2028
IVL31OA	Debentures of INDORAMA VENTURES No. 1/2016 Tranche 4 *	2,300	4.39%	15 years	20 October 2031
Total		5,000			

Note * The issuer has rights of early redemption

Debenture issued on 4th May 2017:

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL205A	Debentures of INDORAMA VENTURES No. 1/2017 Tranche 1	2,000	2.60%	3 years	4 May 2020
IVL225A	Debentures of INDORAMA VENTURES No. 1/2017 Tranche 2	500	3.24%	5 years	4 May 2022
IVL245A	Debentures of INDORAMA VENTURES No. 1/2017 Tranche 3	1,000	3.75%	7 years	4 May 2024
IVL275A	Debentures of INDORAMA VENTURES No. 1/2017 Tranche 4	2,000	4.11%	10 years	4 May 2027
IVL295A	Debentures of INDORAMA VENTURES No. 1/2017 Tranche 5	2,000	4.28%	12 years	4 May 2029
Total		7,500			

Debenture issued on 16th November 2017:

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL24NA	Debentures of INDORAMA VENTURES No. 2/2017 Tranche 1	300	2.92%	7 years	16 November 2024
IVL27NA	Debentures of INDORAMA VENTURES No. 2/2017 Tranche 2	700	3.46%	10 years	16 November 2027
IVL32NA	Debentures of INDORAMA VENTURES No. 2/2017 Tranche 3	1,000	3.90%	15 years	16 November 2032
Total		2,000			

7.3.2 Debentures of IVL Singapore PTE Limited

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

On 7th 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
Total	195			

7.4 Dividend Policy

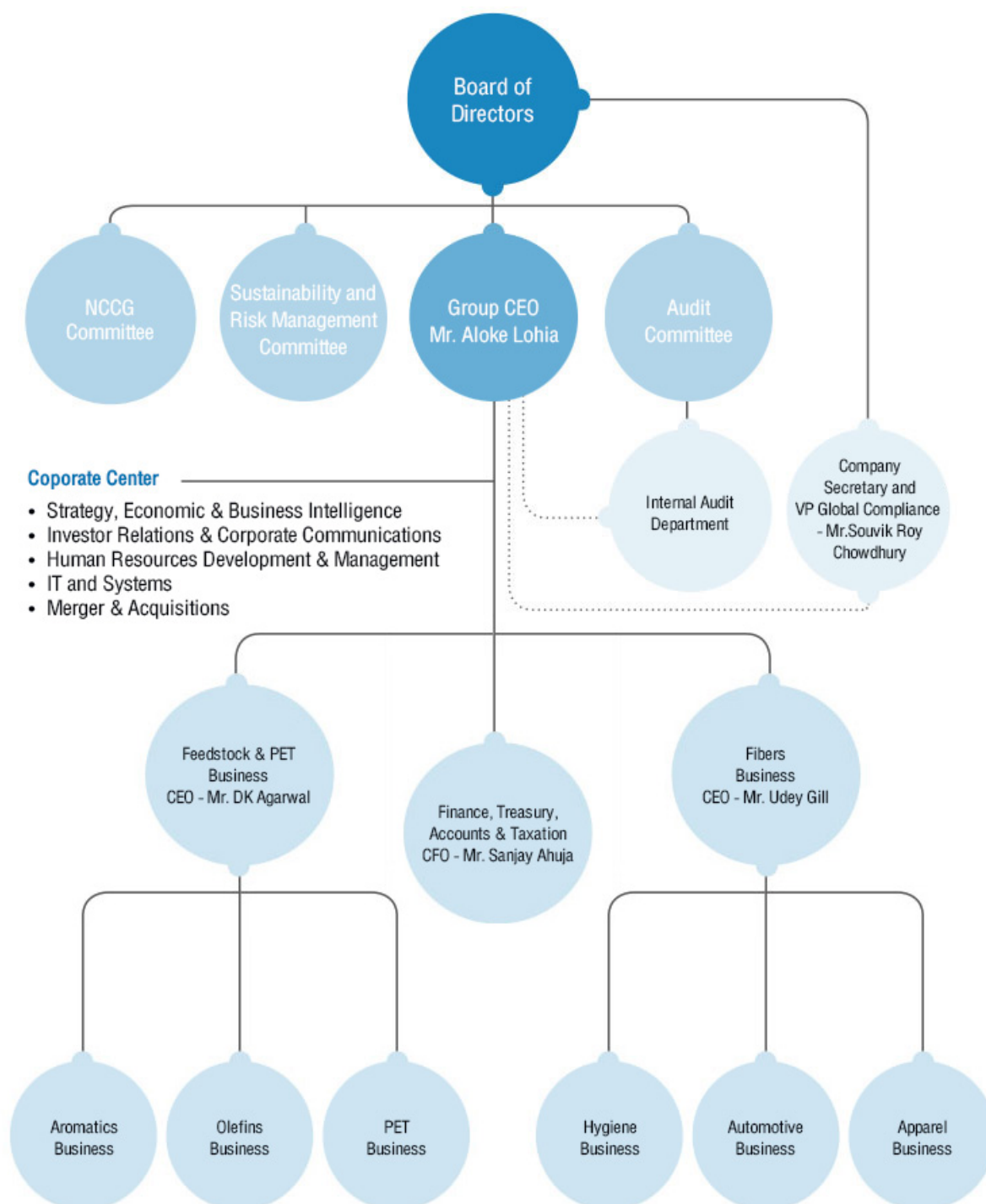
Dividend Policy of the Company

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

As of 31 December 2017, IVL's Directors are:

Name	Position	Appointment Date of Directorship
1. Mr. Sri Prakash Lohia	<ul style="list-style-type: none"> Chairman of the Board Non-executive Director 	19 September 2009
2. Mr. Alope Lohia	<ul style="list-style-type: none"> Vice Chairman of the Board Executive Director Chairman of the Sustainability and Risk Management Committee Group Chief Executive Officer 	19 September 2009
3. Mrs. Suchitra Lohia	<ul style="list-style-type: none"> Executive Director Chairperson of Corporate Social Responsibility Committee 	19 September 2009
4. Mr. Amit Lohia	<ul style="list-style-type: none"> Non-executive Director 	19 September 2009
5. Mr. Dilip Kumar Agarwal	<ul style="list-style-type: none"> Executive Director Member of the Sustainability and Risk Management Committee Chief Executive Officer of Feedstock and PET Business 	27 April 2010
6. Mr. Udey Paul Singh Gill	<ul style="list-style-type: none"> Executive Director Member of the Sustainability and Risk Management Committee Chief Executive Officer of Fibers Business 	27 April 2011
7. Mr. Sanjay Ahuja	<ul style="list-style-type: none"> Executive Director Chief Financial Officer 	13 November 2015
8. Mr. Rathian Srimongkol	<ul style="list-style-type: none"> Vice Chairman of the Board Independent Director Chairman of the Audit Committee Member of the Sustainability and Risk Management Committee 	19 September 2009
9. Mr. William Ellwood Heinecke	<ul style="list-style-type: none"> Independent Director Chairman of the Nomination, Compensation and Corporate Governance Committee 	19 September 2009
10. Mr. Maris Samaram	<ul style="list-style-type: none"> Independent Director Member of the Audit Committee Member of the Sustainability and Risk Management Committee 	27 April 2010
11. Dr. Siri Ganjarende	<ul style="list-style-type: none"> Independent Director Member of the Audit Committee Member of the Nomination, Compensation and Corporate Governance Committee 	27 April 2010
12. Mr. Kanit Si	<ul style="list-style-type: none"> Independent Director Member of the Nomination, Compensation and Corporate Governance Committee 	27 April 2010
13. Mr. Russell Leighton Kekuwa	<ul style="list-style-type: none"> Independent Director Member of the Sustainability and Risk Management Committee 	20 October 2014
14. Mr. Chakramon Phasukavanich	<ul style="list-style-type: none"> Independent Director Member of the Nomination, Compensation and Corporate Governance Committee 	13 November 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 Kekuewa 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 2017						
Name	Board of Directors (7 times)	Audit Committee (6 times)	Nomination, Compensation and Corporate Governance Committee (4 times)	Sustainability and Risk Management Committee (2 times)	Independent Directors (1 time)	AGM 2017
1. Mr. Sri Prakash Lohia	5/7	-	-	-	-	1/1
2. Mr. Alope Lohia	7/7	-	1/1*	1/2	-	1/1
3. Mrs. Suchitra Lohia	6/7	-	-	-	-	1/1
4. Mr. Amit Lohia	5/7	-	-	-	-	0/1
5. Mr. Dilip Kumar Agarwal	7/7	-	-	2/2	-	1/1
6. Mr. Udey Paul Singh Gill	7/7	-	-	2/2	-	1/1
7. Mr. Sanjay Ahuja	7/7	-	-	-	-	1/1
8. Mr. Rathian Srimongkol	7/7	6/6	-	2/2	1/1	1/1
9. Mr. William Ellwood Heinecke	4/7	-	4/4	-	1/1	1/1
10. Mr. Maris Samaram	7/7	6/6	-	2/2	1/1	1/1

Meetings in 2017						
Name	Board of Directors (7 times)	Audit Committee (6 times)	Nomination, Compensation and Corporate Governance Committee (4 times)	Sustainability and Risk Management Committee (2 times)	Independent Directors (1 time)	AGM 2017
11. Dr. Siri Ganjarende	7/7	5/6	4/4	-	1/1	1/1
12. Mr. Kanit Si	7/7	-	4/4	-	1/1	1/1
13. Mr. Russell Leighton Kekuwa	6/7	-	-	2/2	1/1	1/1
14. Mr. Chakramon Phasukavanich	6/7	-	3/3**	-	1/1	1/1

* Mr. Alope Lohia resigned as a member of Nomination, Compensation and Corporate Governance Committee and was appointed as an advisor to the Committee on 17th February 2017.

** Mr. Chakramon Phasukavanich was appointed as the Member of Nomination, Compensation and Corporate Governance Committee on 17th February 2017.

Executives

As of 31 December 2017, 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. Udey Paul Singh Gill	Chief Executive Officer of Fibers Business
5. Mr. Sanjay Ahuja	Chief Financial Officer
6. Mr. Manoj Kumar Sharma	Head of Account
7. Mr. Souvik Roy Chowdhury	Company Secretary and VP Global Compliance

The Company Secretary

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

Education

- Chartered Accountant, The Institute of Chartered Accountants of India, 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 laws 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 (both Thai and English)*.
- 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.
- Support directors to ensure that all directors have sufficient information and knowledge to fulfill their roles and responsibilities effectively and report it on the annual report*.
- Frequently develop and update the knowledge relating to company secretary duties*.

**Adding the duties of the Company Secretary in accordance with the Corporate Governance Codes for Listed Companies 2017 issued by The Securities and Exchange Commission and approved by the Board of Directors at their meeting No. 2/2018 held on February 20, 2018.*

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 2017

The Board of Directors and the management of Indorama Ventures has firmly committed to implementing and practicing good corporate governance and will continue to cover new corporate Governance Code for listed Companies 2017 and recommendations of the Securities Exchange Commission, Stock Exchange of Thailand, Institute of Directors, Thailand and others. The Company believes that corporate governance is an important part of sustainability and therefore this ensures that all employees of IVL are aware of the principles and practices that IVL promotes.

9.1 Corporate Governance Policy

IVL has a 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, managements and employees.

Furthermore, the Board of Directors performs its duties as suggested in the Corporate Governance Code for listed companies 2017 (the Code) issued by The Securities and Exchange Commission (SEC). It consists of 8 principles: 1) Establish clear leadership role and responsibilities of the Board 2). Define objectives that promote sustainable value creation 3). Strengthen Board effectiveness 4). Ensure effective CEO and people management 5). Nurture innovation and responsible business 6). Strengthen effective risk management and internal control 7). Ensure disclosure and financial integrity 8). Ensure engagement and communication with shareholders. 97% of recommendations under each principle have been implemented. The Board of Directors will consider how it can apply the rest of the suggestions appropriately.

In addition the Board oversees and enforces the Company to follow the rules and regulations of Listed Companies issued by the SEC and Capital Market Supervisory Board (CMSB) and implement the recommendations as stated in the Corporate Governance Report of Thai Listed entities (CGR) issued by the Institute of Directors (IOD), ASEAN Corporate Governance Scorecard and Transparency International.

IVL Corporate Governance Awareness Campaign 2017

IVL has had a Corporate Governance Policy Awareness Campaign (CGPAC) since 2013. 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 17 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 2017, our policy handbook was distributed to all plants acquired during the year to translate into their local language and provide to their employees. All site heads are responsible for the implementation of CGPAC and will report results of the implementation to the CGPAC committee who in turn reported to the Board in November 2017. 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. 85% of all sites have fully implemented training courses that are either live seminars or online self-learning courses. To 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.

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 international transparency standards.

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 under the Corporate Governance section.

For the continued practice of good Corporate Governance in 2017 the Company received the following assessment and awards:

1. **A score of 100 percent for the 2017 Annual General Meeting** of Shareholders, judged by the Thai Investors Association. This was the sixth 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 again scored 93 percent. This is the fifth consecutive year that IVL received the “5 star” rating.
3. The company has been listed in the **Leading SET Index 2017 Bloomberg ESG Disclosure Scores**.
4. The **ESG100 Certificate** for outstanding sustainability performance on the basis performance on the basis of Environmental, Social and Governance (ESG) from Thaipat Institute for the third consecutive year.
5. The company has been listed in the **RobecoSAM’s Sustainability Year book 2017** and Silver Class and Industry mover distinction for its excellent sustainability performance.
6. The company was awarded **SET Sustainability Awards 2017** in the category of Rising Star by Stock Exchange of Thailand.
7. The company won a **Sustainability Report** award from SET in 2017 for the fourth consecutive year.

8. The company has been listed in the **FTSE4Good Emerging Index** and the **FTSE4Good ASEAN 5 Index**.
9. The company received a **Gold Recognition** level for sustainability from **EcoVadis**. The achievement places the company at the top 4% of basic chemicals and Top 3% of suppliers assessed by EcoVadis in all categories.

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 whose term expired on September 18, 2017 was appointed for another two years until September 19, 2019 by the Board at its meeting no: 5/2017 dated August 10, 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 *	5/6

** 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 that, 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 2017, 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 undertakes periodic checks to ensure compliance with statutory and regulatory requirements.

Nomination, Compensation and Corporate Governance Committee (NCCG)

The Board at its meeting No. 2/2017 held on February 17, 2017 approved the reconstitution of the NCCG Committee by changing the role of Mr. Alope Lohia, GCEO from a member on the Committee to an advisor and the appointment of Mr. Chakramon Phasukavanich as the new member of the NCCG Committee. All members on the Committee are independent directors. The term of the Committee expires in May 2018.

The Nomination, Compensation and Corporate Governance Committee held four meetings during 2017 with the attendance of members as follows:

Name	Attendance
Mr. William Ellwood Heinecke	4/4
Mr. Alope Lohia*	1/1
Dr. Siri Ganjarerndee	4/4
Mr. Kanit Si	4/4
Mr. Chakramon Phasukavanich**	3/3

* Mr. Alope Lohia resigned from his position as a member and was appointed as an advisor.

** Mr. Chakramon Phasukavanich was appointed as member on the NCCG Committee on February 17, 2017.

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 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, CEO of the Fibers Business and Mr. Russell Leighton Kekuwa, Independent Director. The current term of the SRMC Committee expired in August 2017 and was re-appointed by the Board for another two years until August 2019 at their Board meeting no 3/2017 held on May 11, 2017. The SRMC Committee held two meetings during the year with the attendance of members as follows:

Name	Attendance
Mr. Alope Lohia	1/2
Mr. Rathian Srimongkol	2/2
Mr. Maris Samaram	2/2
Mr. Dilip Kumar Agarwal	2/2
Mr. Udey Paul Singh Gill	2/2
Mr. Russell Leighton Kekuwa	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 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.

Lead Independent Director

In continuation of good governance recommendations and practices, the Board at its meeting in February 2018, approved the appointment of a Lead Independent Director.

The Role and responsibility of the Lead Independent Director:

- Serving as a liaison between independent directors and management
- Having authority to call meetings of the independent directors
- Presiding at, and preparing the agenda for, all executive sessions of the non-management directors and the independent director meetings and providing feedback to senior management.
- Communicating with other independent directors whether they would like to have any items to be included in meeting agendas.
- Working with the Chairman of the Board of Directors and members of management to assure the adequacy and timing of information provided to the Board of Directors
- Retaining outside advisors to the Board of Directors, if necessary or desirable
- Being available for consultation and direct communication with major stockholder if requested

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 have at least one experienced representative from Thailand to be a director of its operating subsidiaries and associated companies; who has the requisite qualification 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.

The Corporate Secretarial department keeps a summary of the corporate by-laws of all IVL subsidiaries and regularly monitors their compliance with those laws.

Every Quarter confirmation and updates are taken from all units on their compliances with various regulations and litigations if any. A summary of the same is presented to the Audit Committee.

The Corporate Secretarial department at Thailand has a dedicated senior staff to follow up on all IVL subsidiary companies quarterly Board and Shareholder meetings as applicable. In this regard they monitor by a global meeting control statement.

The core subsidiary Companies of IVL held 464 Board's and Shareholders' meetings in 2017, which are summarized below:

Region	No of Companies	No of Meetings
Asia	30	156
Europe	37	189
Americas	38	94
Africa	4	25

Apart from those meetings, there were also management and executive committee meetings of respective businesses 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, staffs 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.

Following the listing of IVL's 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 2017 for IVL and all its subsidiaries, jointly controlled entities and associates globally were as following:

Particulars	Unit: Million Baht	
	2016	2017
1. The total audit fees for IVL and all its subsidiaries, jointly-controlled entities and associates globally	141	148
a) Payment to KPMG Phoomchai Audit Ltd and other members firms of KPMG Phoomchai Audit Ltd.	133	137
b) Other Audit firms	8	11
2. The total non-audit fees paid to member firms of KPMG International other than KPMG Phoomchai Audit Ltd *	35	76

* The amount of non-audit fees relates to tax advice, due diligence in relation to the acquisitions, restructuring, additional Consolidated Financial Statements for Indorama Netherlands B.V. and other advisory services

9.7 The Practice of Corporate Governance in 2017

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 a Chairman of the Board who is a Non-executive Director and a major shareholder, who was chosen because of his vast experience in what is a very complex industry. The Chairman has no role in the management of the Company but his experience is called upon to advise the Board as necessary.
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 Company has formalised the appointment a Lead Independent Director in February 2018.
4. The Nomination Committee has the Group CEO as an advisor along with four Independent Directors in order to ensure quick response and implementation of recommendations made by the Independent members.

5. 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.
6. The Company has opted not to use "Cumulative Voting" for the election of Company directors.

Rights of Shareholders and Equitable Treatment of Shareholders

It is the Company's top most priority 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; They have the right to appoint a proxy to participate and vote at the such meeting; the right to vote for the appointment or removal of Individual Directors; the rights 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.1/2017 held on April 26, 2017.

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 4, 2017. 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 2018.

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

(2016) and the three reviewed quarterly financial statements of 2017 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, 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. Like previous years, the Company organized two visits by the Shareholders' to its plants. The first trip was organized on June 27, 2017 to visit the factories at Lopburi and the second trip was organized on October 17, 2017 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 Annual General Meeting of Shareholders No. 1/2017 was held on April 26, 2017 and the Notice was issued out on March 24, 2017.

All information sent to the shareholders was posted on the Company's website both in English and Thai on March 7 2017 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 7, 2017.

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 appoint either 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.

The Company deployed simultaneous translation into Thai language at the Shareholders' Meeting No. 1/2017 held on April 26, 2017.

b) Re-appointment of retiring Directors

In 2017, 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 include the following information, in order to facilitate the voting by the shareholders. 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.

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

The re-appointment of retiring Directors was approved by the Shareholders based on 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 2017 and the annual bonus for all IVL Directors payable for 2016 performance 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. In 2017, the NCCG Committee recommended some modification to the point system in relation to attendance and this was agreed to by the Board. There was no change in the retainer fee in 2017. No retainer fee is paid to the Executive Directors on the Board of IVL.

Details of remuneration in 2017 paid to the Independent Directors and Non-Executive Directors and the bonus for 2016 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 2017 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

To facilitate the shareholder voting, the Notice of the meeting detailed the name of the audit firm, the auditors' names, the independence of the proposed auditors, the number of years they acted as the Company's auditor, the total audit and non-audit fees paid in 2016 and 2017 and separately Company audit fee proposed in 2017, together with the opinion of the Board based on the recommendation of the Audit Committee.

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 for 2016 performance at Baht 0.66 per. Out of the said final dividend, an interim dividend of Baht 0.30 per share was paid by the Company on September 07, 2016 and the Company paid the remaining dividend of Baht 0.36 per share on May 23, 2017.

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 2016, the AGM was held on April 26, 2017. The meeting started with 2,014 shareholders in person or proxy and representing 82.83% of the total shares sold. At the close of the meeting there were 2,378 shareholders in person or proxy and representing 83.82%. The meeting started at 2.00 pm and ended at 5.30 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. The legal counsel from The Capital Law Office, the Company's legal counsel was nominated to inspect the voting and voting counting procedure. 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 that 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, Chairman 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 period 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 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 2017, 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.

The CAC Certification received by the Company in 2014 expired during the year and the same is under renewal process.

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 conducted anti-corruption training at Head Office and all Thai sites, in Thai and English languages for the benefit of all employees.

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

Over 11,000 employees have been covered by our training courses both undertaken by our CG Section and or site HR teams. Educational materials were distributed to participants during training

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.

The Chief Risk Officer of the Company 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
- Diversity Policy

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.

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 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 and 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, 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 2017, six 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. 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 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 in order to ensure alignment with Best Practice. The following were revised and approved by the Board based on the recommendation of the Nomination, Compensation and Corporate Governance sub-committee.

- Charter of the Board of Directors- May 11, 2017
- Nomination, Compensation and Corporate Governance Committee Charter- May 11, 2017
- Environment Policy- February 17, 2017
- Diversity Policy- February 17, 2017
- Code of Conduct for employees- February 17, 2017

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.

In 2017, 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 and SET releases, annual report, corporate policies, corporate structure, details of subsidiaries, 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 implements all recommendations made by the SEC, SET and IOD.

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 shareholding of Directors, Management including their spouses and minor children for the period January 1, 2017 to December 31, 2017 is as follows:

Report of Changes in Securities Holding of the Company's Directors and Executives as at 31st December 2017						
No.	Name	Ordinary Shares (Shares)				
		As at 31 Dec 2016	Changes in 2017		As at 31 Dec 2017	
		No. of Shares		No. of Shares	No. of Shares	%
1	Mr. Sri Prakash Lohia Spouse and Minor Children	- -	Acquisition/Disposition Acquisition/Disposition	- -	- -	- -
2	Mr. Aloke Lohia Spouse and Minor Children	10 -	Acquisition/Disposition Acquisition/Disposition	- -	10 -	0.000 -
3	Mrs. Suchitra Lohia Spouse and Minor Children	- 10	Acquisition/Disposition Acquisition/Disposition	- -	- 10	- 0.000
4	Mr. Amit Lohia Spouse and Minor Children	- -	Acquisition/Disposition Acquisition/Disposition	- -	- -	- -
5	Mr. Dilip Kumar Agarwal Spouse and Minor Children	- -	Acquisition/Disposition Acquisition/Disposition	51,570 -	51,570 -	0.001 -
6	Mr. Uday Paul Singh Gill Spouse and Minor Children	- -	Acquisition/Disposition Acquisition/Disposition	36,346 -	36,346 -	0.001 -
7	Mr. Sanjay Ahuja Spouse and Minor Children	- -	Acquisition/Disposition Acquisition/Disposition	30,004 -	30,004 -	0.001 -
8	Mr. Rathian Srimongkol Spouse and Minor Children	262,000 -	Acquisition/Disposition Acquisition/Disposition	3,200 -	265,200 -	0.005 -
9	Mr. Maris Samaram Spouse and Minor Children	- -	Acquisition/Disposition Acquisition/Disposition	- -	- -	- -
10	Mr. William Ellwood Heinecke Spouse and Minor Children	4,344,932 -	Acquisition/Disposition Acquisition/Disposition	(1,350,000) -	2,994,932 -	0.057 -
11	Dr. Siri Ganjarerndee Spouse and Minor Children	- -	Acquisition/Disposition Acquisition/Disposition	- -	- -	- -
12	Mr. Kanit Si Spouse and Minor Children	200,000 -	Acquisition/Disposition Acquisition/Disposition	100,000 -	300,000 -	0.006 -
13	Mr. Chakramon Phasukavanich Spouse and Minor Children	- 102,000	Acquisition/Disposition Acquisition/Disposition	- -	- 102,000	- 0.002
14	Mr. Russell Leighton Kekuewa Spouse and Minor Children	489,000 -	Acquisition/Disposition Acquisition/Disposition	- -	489,000 -	0.009 -
15	Mr. Manoj Kumar Sharma Spouse and Minor Children	- -	Acquisition/Disposition Acquisition/Disposition	9,803 -	9,803 -	0.000 -
16	Mr. Souvik Roy Chowdhury Spouse and Minor Children	17,000 -	Acquisition/Disposition Acquisition/Disposition	(4,823) -	12,177 -	0.000 -

Report of Changes in Securities Holding of the Company's Directors and Executives as at 31st December 2017						
No.	Name	As at 31 Dec 2016	Warrants - IVL-W2 (Units)		As at 31 Dec 2017	
		No. of Units	Changes in 2017		No. of Units	%
1	Mr. Sri Prakash Lohia Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
2	Mr. Aloke Lohia Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
3	Mrs. Suchitra Lohia Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
4	Mr. Amit Lohia Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
5	Mr. Dilip Kumar Agarwal Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
6	Mr. Uday Paul Singh Gill Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
7	Mr. Sanjay Ahuja Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
8	Mr. Rathian Srimongkol Spouse and Minor Children	14,000	Acquisition/Disposition	(14,000)	-	-
9	Mr. Maris Samaram Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
10	Mr. William Ellwood Heinecke Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
11	Dr. Siri Ganjarerndee Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
12	Mr. Kanit Si Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
13	Mr. Chakramon Phasukavanich Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
14	Mr. Russell Leighton Kekuewa Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
15	Mr. Manoj Kumar Sharma Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
16	Mr. Souvik Roy Chowdhury Spouse and Minor Children	-	Acquisition/Disposition	-	-	-

The individual shareholdings of Directors, Management, including their spouse and minor children for the period January 1, 2017 to December 31, 2017 was as follows:

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 Secretarial Department informs the Directors and Management of the blackout period.

All IVL directors and management are required to report their interest, if any in the designated "Declaration of Interest" Form of the Company beginning of each year. Such forms are kept at the Company Secretarial department.

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 strategy meeting key executives from all IVL units participate and discuss their performance and strategies both in the short and long term with the senior management and Board members. Such meetings give the Board and especially the Independent Directors ample opportunity to interact and discuss with the respective executives about their business plans and performance and also to understand the various businesses that IVL operates. Where necessary suggestions are made by the Board.

After presentation of all Business segments’ plans, the Annual Plan for the year is thereafter approved by the Board of Directors. 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.

Board approvals

The average attendance for the Board meeting held during 2017 has been approx. 71% (over 2/3rd). For the Annual Budget approval and four quarterly meetings the attendance was over 90%. For each Agenda items at Board meetings, detailed discussions take place and approvals are given unanimously.

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 which is reviewed by the Audit Committee and forwarded to the Board.

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 2017 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 directors, 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.

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 2017.

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 that the industry is extremely complex and takes many years of study in order to be able to play a role in the Board. The current independent directors have shown their value over the years and will continue to play an important role in the company. Replacing directors with many years of our industry experience would seriously hinder the Board's ability to operate at an optimal level. However, they all take their independence seriously and play their role as an independent director. The NCCG Committee and the Board 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 sub-committee members carried out a self-evaluation on the Board and sub-committee performance in 2017. The results were summarized and discussed at the Board meeting held in February 2018. The Board and subcommittee members were evaluated as having given very good performance rating in 2017.

The Board at its meeting in February 2018 has approved to have a third party evaluation done on the Board performance.

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 seven meetings during 2017. 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.

Under the Chairmanship of Mr. Rathian Srimongkol, all the independent Directors met on March 3, 2017 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 January 23, 2018.

The Chairman, Group CEO and Company Secretary set the Board meeting agenda and the Company Secretary sends invitation letter 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 2017

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

**The average attendance of 11 out of the total 14 Directors for the year 2017 was 80% and above.*

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 2017, the total annual remuneration approved at the Annual General Meeting of Shareholders No. 1/2017 held on April 26, 2017 was an amount of not exceeding Baht 20,100,000.

The actual remuneration paid in 2017 is Baht 19,994,970 against the approved amount of Baht 20,100,000. 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	600,000
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. Russell Leighton Kekuwa	50,000 per month	600,000
Total			5,700,000

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
Total			2,100,000

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
4	Mr. Chakramon Phasukavanich*	25,000 per month	275,000
Total			1,295,000

* Mr. Chakramaon Phasukavanich joined the Committee from February 2017.

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 Kekuwa	25,000 per month	300,000
Total			900,000

Bonus to Directors for the performance of 2016

No.	Directors	Actual Paid (Baht)
1	Mr. Sri Prakash Lohia	877,190
2	Mr. Alope Lohia	877,190
3	Mrs. Suchitra Lohia	526,320
4	Mr. Amit Lohia	701,750
5	Mr. Dilip Kumar Agarwal	701,750

No.	Directors	Actual Paid (Baht)
6	Mr. Udey Paul Singh Gill	701,750
7	Mr. Sanjay Ahuja	701,750
8	Mr. Rathian Srimongkol	1,052,630
9	Mr. Maris Samaram	701,750
10	Mr. William Ellwood Heinecke	526,320
11	Dr. Siri Ganjarende	701,750
12	Mr. Kanit Si	526,320
13	Mr. Russell Leighton Kekuewa	701,750
14	Mr. Chakramon Phasukavanich	701,750
Total		9,999,970

Remark: 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.

The Remuneration paid to the IVL Management team in 2017 was approx. Baht 114.90 million out of which the Remuneration paid to the CEO of PET and Feedstock business and the CEO of Fibers business was as follows:

No.	Name / Positions	Actual Paid (Million Baht)
1	Mr. Dilip Kumar Agarwal, CEO of PET and Feedstock business	28.02
2	Mr. Udey Paul Singh Gill, CEO of Fibers business	21.33

The remuneration above includes salary, bonus and perquisites in accordance with the Company's rules and regulations. The Board/NCCG Committee sets the long and short term KPI for the Group CEO, CEO of PET and Feedstock business, and CEO of Fibers business.

No compensation was paid to Directors 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 2017 was held from January 23-26, 2017 in Kaiping province, China.

13. Professional Development of Directors

Directors who join the Company during the year are given a Directors Orientation folder with complete information about the Company and its subsidiaries to assist them in getting well acquainted with the business, practices and procedures of the Company and their rights, duties and obligations as Director. In addition orientation meetings are 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.

Continual knowledge expansion

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 Chairman Mr. Sri Prakash Lohia attended training on the Role of the Director and Board, organized by the Institute of Directors, United Kingdom on July 10-11, 2017.

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

"We successfully realize and sustain our transformation by harnessing the energy, enthusiasm, skills and expertise of our people."

Our success in championing better work and working lives is made possible by the strength of our brand and reputation. Our people are our brand, so it's no cliché to say that we couldn't achieve all that we do at Indorama Ventures without the continued commitment of our employees. We strongly believe that "Our People make the Difference", which is one of our core values.

As we transform our business, we engage all our colleagues to feel energized and excited to play their role in the organization. We provide many opportunities to employees to grow with the belief that with growth of the employees, the company also grows. At Indorama Ventures, we are committed to providing our people with a working life that enables everyone to become involved in the success of the organization, have career opportunities, and feel supported in their personal well-being.

The goal of our people strategy is to ensure that we have the right people in the right place at the right time to deliver our ambition; and that our colleagues feel involved and equipped, and have the confidence to do their best work. To realize our ambition "to be a world class chemical company making great products for society", our endeavor is to embrace diversity, which we do by building on the strong local identities and teams across all our diverse units and businesses segments.

People Strategy



HIGHLIGHTS 2017



93.75% Response to Global Employee Engagement Survey

Employee participation level marks an improvement over 2016 (93.66%) and 2015 (90.5%).



3.83 Employee Engagement Score

This score is calculated on a scale of 1 to 5, and shows an improvement over 2016 (3.70) and 2015 (3.64).



94.01% Retention Rate

Retention rate has increased by 0.81 percentage compared to 2016.



63 Nationalities 22% Female Workforce



22.71 Average Training Hours

Average Training Hours per employee is 15% higher than 2016



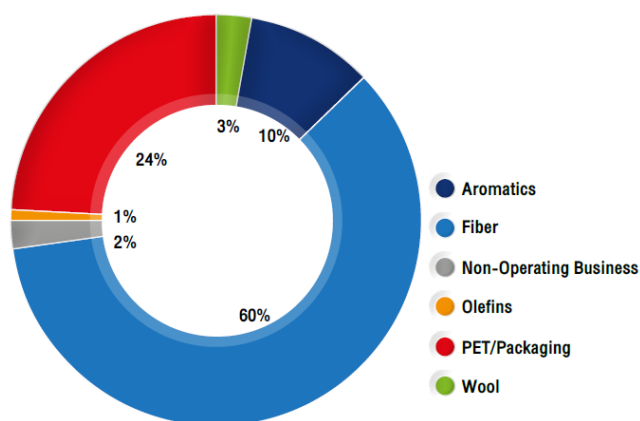
Campus Connect Program

Campus Connect program with selected top colleges was initiated, which will result in inducting best-fit students.

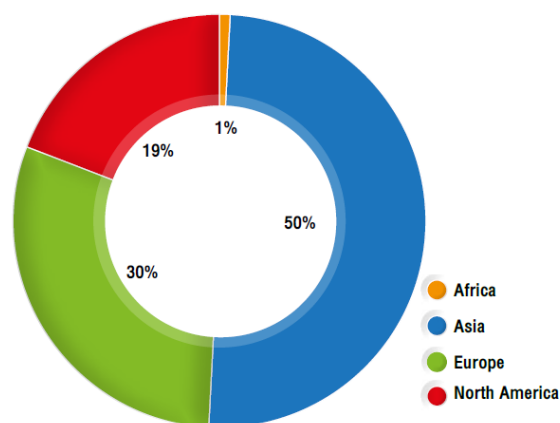
Global Workforce

We employ 16,021 people globally. The employees are located across four continents - Asia, Europe, North America and Africa. Key highlights of our global workforce distribution in terms of percentage are as follows:

Permanent employees across Business



Permanent employees across continents



Attraction and Retention of Talent

In 2017, Indorama Ventures embarked upon a talent sourcing initiative by introducing an online career section at the Indorama Ventures website. This enabled us to engage with a live stream of potential talent. While job sites and sourcing partners continued to be key channels for attracting and engaging with lateral talent, our employees also play a role by referring the right talent.

Case study: Campus Connect - Thailand

There is a focused attempt to bring fresh young blood in Indorama Ventures. The company started attracting students from the best universities. The selected students, both men and women, are given paid internships and they are exposed to the complexities of business operations through live projects under a mentor.

Step 1: In 2017, 16 paid interns were taken from the best universities in Thailand. They learnt significant skills as reported by the universities.

Step 2: In 2018, these paid interns will be given pre-placement offers to join our organization based on their performance during the internship period. New interns will also be taken in 2018.

Our quest to engage, develop talent and offer adequate compensation resulted in improving retention. The overall retention rate in 2017 has increased by 0.81%:

	2017	2016
Retention Rate	94.01%	93.25%

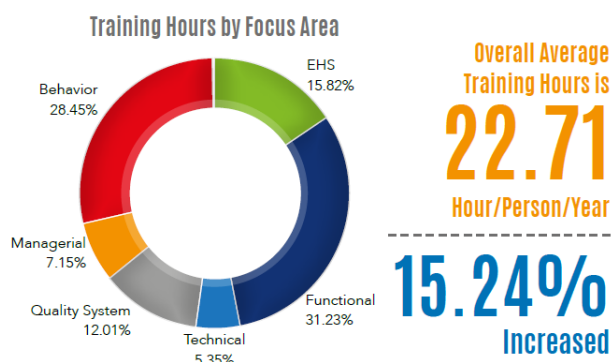
Learning and Development

At Indorama Ventures, we believe that everyone has talent which can be sharpened using the 3E framework of Experience, Education and Exposure. Employees get rotated within/ across functions, locations and businesses. Learning transcends the classroom training. The learning experience is embedded through on-the-job training, exposure to latest technology, networking opportunities in trade/ professional bodies, access to online learning platforms, and internal trainers.

Leadership capabilities are enhanced through global leadership development initiatives like IVLDP and then i-Lead. Each of these programs acts as a medium to provide a structured learning environment, which builds skills using a blended approach of business learning through exposure, cross functional roles, action learning projects and e-learning. Besides these, there are number of learning initiatives within each of the units, which are based on local requirements. Safety continues to be our area of focus, and besides investing significantly in Safety programs, we've built stronger commitments to safety by linking variable pay to the safety record of the business for the year.

Learning and Development

Key highlights of global workforce as 31st Dec 2017 are as follows:



Focus Area	Training Hours
Behavior	105,154
EHS	53,970
Functional	106,568
Managerial	19,771
Quality System	47,822
Technical	30,489
Total	363,774

In our pursuit of experiential learning we will continue to invest in education and on-the-job training, as well as providing opportunities for colleagues to explore the facets of experiential learnings as illustrated in the following case study.

Case study: Global Leadership Development Program

Indorama Ventures started the global leadership development program three years back. The objective of the program is to build a pipeline of talent for senior roles through their exposure across the businesses and functions within a region.

Stage 1: The global leadership development initiative IVLDP was started in collaboration with Boston Consulting group in 2015 with 60 executives and the next cohort of 70 executives was taken in 2016. These executives were also exposed to different learning tools to assess themselves & their business.

Stage 2: From the group of IVLDP, the advance program called i-LEAD was crafted, which is driven by the Group CEO himself. 27 participants are in the process of completing the first intake. They were divided in regional teams and were given cross-functional exposure to all business segments within a region. As the next step they were asked to review the regional business and to work out a strategy for the region. This is a focused attempt to build leadership capabilities that will be essential for them to transition into more complex roles in the future.

Advancing Diversity & Inclusion

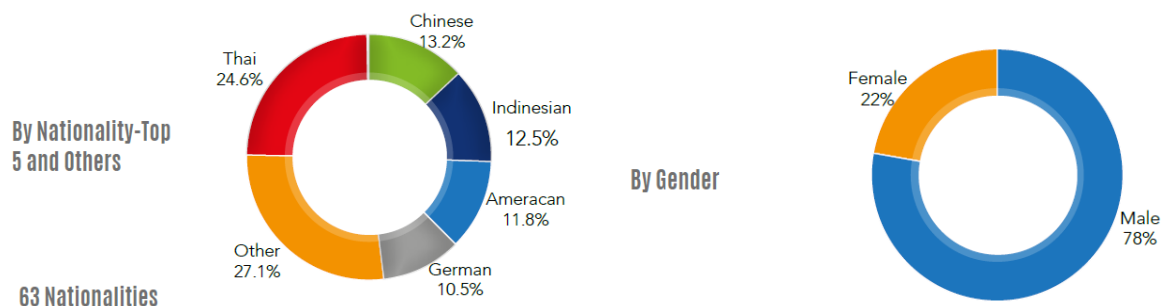
We value diversity in all its forms. “Diversity is our Strength” is one of our five core values. Our diversity and inclusion (D&I) approach focuses on talent acquisition, progression, retention and inclusive leadership, as well as on differentiating our external reputation. Our leaders aim to be role models for D&I and assume accountability for continuous progress. We believe that diverse teams led by inclusive leaders are more engaged, and therefore deliver better business performance.

By embedding D&I in our operations, we have a better understanding of the needs of our employees as well as the needs of our varied customers, partners and stakeholders throughout the world. We also benefit from a wider talent pool. We provide equal opportunity in recruitment, career development, promotion, training and rewards for all employees, including those with disabilities. Where possible, we make reasonable adjustments in job design and provide appropriate training for employees who have become disabled.

We actively monitor representation of women and local nationals in senior leadership positions, and have talent-development processes to support us in delivering more diverse representation. To enhance diversity and inclusiveness in talent development initiatives, we are consciously taking an approach to take onboard a good mix of gender and nationality within our diverse business segments and functions.

Diversity and Inclusion

Key highlights of global workforce as on 31st Dec 2017 are as follows:



Human Rights

Business flourishes in societies where human rights are respected, upheld and advanced. In support of these principles, in 2017 IVL formalized its commitment to the UN Guiding Principles on Business and Human Rights. We started the yearly global survey from 2015 on Human Rights and continue to work on action plans to mitigate perceived risks. We also engage with our suppliers on their commitment to address human rights issues. Our respective units have taken the initiative of getting SA8000 certification or its equivalent to ensure no violation of Human Rights across the organization.

Employee Communication and Engagement

We strive to maintain a healthy industrial relations environment in which dialogue between management and employees – both directly and, where appropriate, through employee

representative bodies – is embedded in our work practices. On a quarterly basis, management briefs employees on our operational and financial results through various channels, including team meetings, face-to-face gatherings and emails.

Strong employee engagement is especially significant in maintaining effective business activity in times of great change. The Global Employee Engagement Survey (GEE) is one of the principal tools used to measure employee engagement, including the degree of affiliation and commitment to Indorama Ventures. It provides insights into employees' views and has had a consistently high response rate. The employee participation level was **93.75% in 2017** compared to 93.66% in 2016. We know from our strong and improving engagement scores (a mean score of 3.83 out of 5, with more than 70% of our people fully engaged) that our inclusive approach provides a brilliant sense of being part of a team that is highly valued by our colleagues.

We promote disclosure of any misconduct or views about our processes and practices. In addition to local channels, an email address is given on our website which enables employees to report potential breaches of the Indorama Ventures' Values and Code of Conduct. The Ethics Council takes immediate action on these cases by keeping the confidentiality of the whistleblower, and at the same time reporting on such disclosures to the Nomination, Compensation & Corporate Governance (NCCG) Committee, which consists of 4 Independent Board of Directors.

Employee Partnership in the Company

Employee Joint Investment Program (EJIP) is a campaign designed to be an incentive for the employees to build a partnership with the Company by virtue of having the Company's shares in their name. EJIP also has the objective of aligning employees' interests with Company's performance through share ownership. The program concept is to allow employees and the Company to invest in existing listed shares in the name of participating employees on monthly basis for a period of time. In 2017 the Company started EJIP as pilot where more than 230 employees opted for the scheme, which runs for a period of 5 years.

Rewards and Benefits

The compensation system is designed to follow country specific requirements. Our incentive program is linked at three levels that are Company, Business Unit, and the Individual. We also assess our compensation packages against industry standards and seek to match or exceed them.

Health and Safety

'Committed to Zero' is our top priority, with the target of having Zero Lost Time Injuries. Our senior leadership believes in promoting a safe working environment across the organization and has taken the onus of being a role model to showcase the paramount importance of workplace safety. The safety of our work force is our utmost priority. We continuously strive towards achieving our goal of zero accidents at the workplace, as well as eliminating injuries and occupational diseases across the organization. During the year, we further mechanized some of our operations, implemented rigorous

safety line walks, strengthened the deployment of contractor safety management and embraced digital intervention to reduce human risks.

Succession Planning

Succession is vitally important today, just as it has been in the past. In consultation with the NCCG committee, the Board reviews both the adequacy of the succession planning process and the plan for the Group CEO and the Executive Board positions. For other key positions, the Company ensures successful leadership transitions through a constant process of developing the next generation of leaders.

Material Labor Disputes

Since the inception of Indorama Ventures, we have never had any material labor disputes.

10. Sustainability and Corporate Social Responsibility

Our Vision and Commitments

Indorama Ventures has set itself a very clear ambition “to be a world-class chemical company making great products for society.” Our vision is rooted in our shared responsibility to build and operate a company that contributes to the well-being of every member of society. We recognize that with a greater global presence comes even greater responsibility to operate in an environmentally and socially responsible way.

Our Principles of Responsibility

Indorama Ventures fully recognizes that the sustainable development of our business requires a responsible approach to social and business issues, as well as environmental concerns. This includes:

▪ Our responsibility to the environment

- Continue **reducing our environmental footprint** by improving the environmental performance of our production processes including targets for energy, water use, greenhouse gas (GHG) and waste reduction.
- 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.
- Improve the sustainability of our operations with focus on operational **eco-efficiency**, minimize negative impacts and optimize environmental and economic benefits.
- Progressively obtain and maintain **environmental management** based on ISO14001 certification and energy management standards based on ISO 50001.
- Integrating the environmental aspects of the product at the **product development** stage.
- Evaluate and mitigate environmental impacts of our products in its value chain associated with GHG emissions, product toxicity through our **Life Cycle Assessment (LCA) program**.
- Promote a **circular economy** and a more efficient use of resources through greater reuse and recycling.
- Encourage **environmental awareness** and environmental protection among employees and external stakeholders through campaigns, publicity, education and CSR programs.

Details of our environmental initiatives, performance and metrics are provided in our [2017 Sustainability Report](#), available on our [website](#).

▪ Our responsibility to our customers, business partners and suppliers

- Consistently deliver **safe and high-quality products and services** that comply with relevant laws and regulations.

- Uphold the **highest standards of integrity and conduct our business** in an honest, fair, ethical and transparent manner as set out in our Code of Conduct, and Policy on the Treatment of Customers and Business Partners and Competitor Policy.
 - **Respect individual rights, privacy, confidentiality**, and make every effort not to impinge upon the intellectual property rights of those with whom we do business.
 - Ensure the provision of our services pursuant to the expectations of our customers by applying **international quality management standards**, e.g. ISO 9001.
 - Continually improve levels of **customer satisfaction** by maintaining open communication channels for customer feedback.
 - Deliver ongoing **value creation and deliver the best value** to our customers by integrating social and environmental aspects in our corporate strategy and decision-making.
 - **Compete vigorously and fairly** by following antitrust and competition laws in every country in which we operate.
 - Operate with **honesty and integrity** in all our activities and not accept any bribery and corruption in our business dealings anywhere in the world.
 - Stimulate improvements throughout the **value chain** and drive the industry in pursuing high standards and best practices through our Supplier Code of Conduct and supplier self-evaluation.
- **Our responsibility to our employees**
- Provide **fair and equal opportunities** for all according to an employee's skills in terms of employment, hiring, development opportunities and compensation, without discrimination.
 - Build a unique and naturally different corporate culture that **respects diversity** and fosters cooperation and synergies between the different business segments.
 - Ensure the best possible respect of **human rights** in every context including labor practices.
 - Ensure a **proper and safe working environment** through Occupational Health and Safety Management Systems based on OHSAS 18001 or equivalent international standards. We seek to create an incident and injury-free workplace for all employees and contractors.
 - Support a climate of **openness, honesty and trust** through a Whistleblower Policy, which offers employees the opportunity to raise any concerns regarding unethical behavior or misconduct.
 - **Reward our employees fairly and attractively**, in-line with prevailing conditions in the local market, industry standards and individual performance.
 - Promote knowledge and skills through the **personal and professional development of employees**.

▪ **Our responsibility to local communities and society**

- Contribute to long-term and **sustainable economic growth and development** of the communities where we live and operate by providing employment, investing in infrastructure and supporting local initiatives.
- Foster **innovation** to address social and global challenges.
- Enhance the **safety and quality of life** in communities through corporate and employee contributions and volunteer initiatives.
- Support **education** for youth and promote **employment opportunities** for people within the communities where we operate.
- Promote **community environmental awareness**.
- Maintain **strong relationships** with local stakeholders and community organizations.

These principles are formalized through policies approved by the Board of Directors, which can be found

at: http://www.indoramaventures.com/EN/corporateGovernance/corporateGovernance_Documents_Corporate_Policies.php

From Principles to Practices

Sustainability is driven at all levels of the Company, from the Board's endorsement at the Committee level (including the Sustainability Steering Committee) to operational reviews and target setting. Our **Sustainability and Risk Management Governing Structure** can be found at http://www.indoramaventures.com/EN/CSResponsibility/CSR_Sustainability_Risk_Management.php

To further drive sustainability, the Board appointed the **Sustainability and Risk Management Committee (SRMC)** as the second-highest authority in the Company pertaining to sustainability. The SRMC is comprised of six members of the Board, including three Independent Directors who possess in-depth knowledge and vast expertise in sustainability and risk management.

The **Sustainability Steering Committee (SSC)** is a sub-committee of the SRMC with a cross-section of senior IVL corporate and business unit executives with relevant and functional expertise. The SSC is responsible for advancing the objectives of sustainability and implementing sustainability practices across all IVL entities under the guidance of the SRMC and GCEO.

The **Code of Conduct** is a top-level ethical and legal framework which each employee is required to follow. It is supplemented by more detailed **policies**, approved by the Board, to ensure that all business activities are conducted in compliance with applicable laws and regulations of the countries in which we operate, while maintaining sustainable development.

The Company has its own **Internal Audit** Department to carry out internal audit activities of the Company and its subsidiaries to ensure compliance with statutory and regulatory requirements. The Internal Audit Department reports functionally to the Audit Committee.

We are aware of the complexity of legal regulations, thus, **managing risk** is essential. The Board has assigned the SRMC the responsibility of reviewing the Company's overall risk exposure and apprising the Board of risks with a potentially significant impact and to also ensure that robust processes, procedures and policies are in place.

We publish our Sustainability Report annually as part of our commitment to transparency and strengthening our engagement with stakeholders regarding our sustainability practices. We use the **Global Reporting Initiatives (GRI)** Standards as a framework for reporting our sustainability activities. Content and data disclosed in our sustainability report is **independently verified** by external assurance auditors. Indicators were selected for assurance based on the material issues and concerns that are most significant to the sustainability performance of the business, as well as key risks identified by the whole group.

IVL encourages **independent external evaluation** of our sustainability performance through participation in initiatives such as the Dow Jones Sustainability Indices, CDP, FTSE4 Good, and EcoVadis. The following are some of the key sustainability achievements.

IVL sustainability ratings are available on our website at www.indoramaventures.com under the Sustainability section.



Indorama Ventures enters the Dow Jones Sustainability Index (DJSI) Emerging Markets Chemicals Industry for the First Time as published by RobecoSAM and ranks among Top Five of all global chemical companies.

The Dow Jones Sustainability Indices are based on RobecoSAM's internationally recognized [Corporate Sustainability Assessment](#) (CSA) methodology. The CSA consists of an in-depth analysis of relevant economic, environmental and social factors which provides companies with crucial insights into their sustainability performance. All participating companies receive a RobecoSAM Company Benchmarking Scorecard comparing their sustainability performance against the global industry average and that of their industry peers.

The inclusion confirms IVL's excellent performance among the world's leading companies in the chemicals sector and its commitment to leadership in sustainability.



IVL has been recognized in the [RobecoSAM's Sustainability Yearbook 2018](#). We have risen up the rankings from Bronze Class last year to Silver Class recognition in the Chemicals Industry sector for the first time. In addition, we were selected as RobecoSAM's Industry Mover, a distinction given to companies that have achieved the largest proportional improvement in its sustainability performance compared to the previous year. This classification reflects our efforts to consistently improve our sustainability performance and shows once again that IVL is one of the most sustainable companies in the world.

We will continue our journey of improvement and pursue our goal of being a world-class chemical company.



In 2017, IVL has participated in CDP Climate Change Assessment for second consecutive year and Supply Chain Assessment for the first time, and has achieved 'B' Rating in both assessments.



FTSE4Good

IVL has been independently assessed according to the FTSE Russell criteria and become a constituent of the FTSE4Good ASEAN 5 Index and FTSE4Good Emerging Index.



In 2017, IVL participated in the EcoVadis evaluation/accreditation platform and has achieved a Gold Recognition, ranking in the top 4% of suppliers in the category of manufacture of basic chemicals and top 3% of suppliers in all categories assessed by EcoVadis.

Key Focus Areas

The focus areas and the strategic measures we adopt in terms of sustainability are based on a materiality analysis. In accordance with the GRI Standards, we are constantly evaluating material issues that have an impact on the sustainable development of the Company from both internal and external stakeholder views.

In 2017, the materiality analysis process was extended to more external stakeholders, such as customers, suppliers, bankers, investors and the media. The feedback was incorporated in defining the key material issues and focus areas for our sustainability management and reporting.

As a result of the assessment, the top economic, environmental and social issues that our stakeholders and IVL consider to be most focus areas to our company are

Economic Dimension	<ul style="list-style-type: none"> ▪ Innovation Management ▪ Corporate Governance ▪ Regulatory Compliance ▪ Business Ethics and Integrity
Environmental Dimension	<ul style="list-style-type: none"> ▪ Climate Strategy ▪ Product Stewardship ▪ Environmental Compliance ▪ Environmental Management
Social Dimension	<ul style="list-style-type: none"> ▪ Health and Safety ▪ Human Capital Development ▪ Human Rights

Climate Strategy, Product Stewardship and Health and Safety are three key focus areas. Further details on the materiality assessment process, key material issues and performance on all material issues are provided in the 2017 Sustainability Report.

Stakeholder Engagement

Stakeholder identification was carried out 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 conceptualized stakeholders' expectations, interests, benefits and concerns. We then prioritized and determined how to engage the different stakeholders.

Our stakeholder engagement programs help us understand and respond to the concerns and expectations of our stakeholders. IVL's stakeholders include investors, shareholders, customers, suppliers, business partners, local authorities, employees, the media and local communities where we operate. We listen and respond to these groups in various forms. Each stakeholder group has a functional representative who is accountable for managing the relationship with the particular stakeholder group. Sales and marketing, investor relations, purchasing, human resources, and corporate affairs are some functions where stakeholders are engaged on a regular basis to understand and address a variety of concerns.

More details on key stakeholder groups and the engagement mechanism for each group are provided in the 2017 Sustainability Report.

Integration of UN Sustainable Development Goals into IVL's Business Operations

In September 2015, more than 190 countries signed up to the UN Global Goals for Sustainable Development, which set out a vision for ending poverty, hunger, inequality and protecting the Earth's natural resources by 2030.

Achieving of these Goals by 2030 is highly ambitious. Private sector has an important role to play along with governments, institutions, communities in delivering these goals. It is in businesses self-interest to engage and create a more sustainable future.

Agenda for Sustainable Development, which includes a set of 17 actions oriented Sustainable Development Goals (SDGs), accepted by all countries and is applicable to all.

Business Operation Activities

Considering the nature of business, IVL is committed to play its role by contributing to the achievement of following Sustainable Development Goals:



- Environmental Stewardship (Water / Air / GHG / Waste)
- Product Stewardship
- Recycling Business
- Low Carbon Products



- Gender Diversity
- Capability Development for Woman Workforce



- Renewable Energy
- Energy Management



- Product Stewardship
- Recycling Business
- Circular Economy
- Health and Safety



- Product Stewardship
- Environmental Stewardship (Water / Air / GHG / Waste)
- Recycling Business
- Light Weighting and Low Carbon Products



- Climate Strategy
- Product Stewardship
- Recycling Business
- Circular Economy
- Light Weighting and Low Carbon Products



- Recycling Business
- Climate Strategy
- Water Management



- Recycling Business
- Climate Strategy
- Waste Management
- Water Management

Corporate Social Responsibility at IVL

Indorama Ventures has consistently adhered to the clear and simple value of operating with integrity, transparency and in the best interests of our customers, employees, stakeholders, communities, and the environment. With our evolution and continued international growth, we remain true to this core value. Doing so enables us to achieve our ambition “to be a world-class chemical company making great products for society.”

As we continue to innovate with our product offerings, R&D, and our work processes, we also strive to do better in our sustainability and corporate social responsibility (CSR) activities. We have long maintained that the sustainable development of our business requires a responsible approach to social and business issues, as well as incorporating environmental concerns.

We therefore adopted a combined approach of addressing social issues and integrating CSR activities with our business goals. Our group-wide strategy on corporate citizenship and philanthropy focuses on:

1. Economic growth – improving the quality of life of the communities where we operate.
2. Innovation – creating new products for our customers that enhance their own sustainability objectives while providing us with an advantage over our competitors.
3. Social license – being a positive force for development and change by supporting communities, adhering to all local and national regulations, and through the ethical operation of our business.

We fully support and are committed to the UN Sustainable Development Goals (SDGs), specifically, Goals 3 - Good Health and Well-being, 4 - Quality Education and 8 - Decent Work and Economic Growth.



As a closed-loop business, producing raw materials to make plastic bottles and also recycling them, we can contribute to being a sustainable operation and further support the environment. Our new Recycling Education Initiative is in-line with our commitment and part of our global CSR Flagship Program. We developed this initiative because we aim is to increase awareness among children to separate waste, encourage them to recycle and to be actively involved in protecting the environment.

To achieve this goal, we are preparing materials in a convenient “Education pack” which includes videos, comic books to support learning among kids. We plan on sharing these materials with our subsidiaries to expand this initiative, ensuring that they have the flexibility to adapt the material for

each country. We are also prepared to share our materials with schools and other relevant groups if requested.

More details on our CSR performance and activities under each theme are provided in the 2017 Sustainability Report.

11. Internal Control and Risk Management

The Board of Directors has assigned the Audit Committee (“AC”) 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 AC include reviewing the Company’s 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 assigned by the Board of Directors.

The Company’s in-house Internal Audit Department (“IAD”) reports to the AC. The IAD is responsible for reviewing the adequacy and effectiveness of the Company’s internal control systems for IVL and its subsidiaries. The department reports its findings and recommendations to the management and the AC. The internal control reviews are performed to ensure the existence of an effective system of internal controls which provide reasonable assurance for achievement of the Company’s objectives. Risks at all levels of the Company are managed through an effective internal control system and documented in IVL’s Internal Control System Evaluation Form of Sufficiency.

The Board of Directors of the Company in Meeting No. 1/2018 held on January 30, 2018, which was attended by all members of the AC, considered the recommendations of the Committee, evaluated its opinion on the internal control systems of the Company and its subsidiaries for 2017 and found the internal control systems to be adequate. The internal control systems in use at the Company generally conform to the internal control model as advocated by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). The summary of IVL’s internal control systems in-line with the COSO is detailed below.

Control Environment

IVL prepares annual and five-year business plans which are approved by the Board of Directors. These plans form the basis of arriving at employee goals and objectives at all operating units and the steps to be followed to achieve the Company’s objectives. These objectives are reviewed from time to time. The Company has a well-structured organization in place that delineates the individual’s responsibility for key businesses and other functions. All employees have been provided the IVL Policies Handbook which contains all of the policies that facilitate in improving the control environment. IVL has detailed the Code of Conduct, namely the Code of Conduct for Directors, and the Code of Conduct for Employees. These Codes of Conduct are applicable to all Directors and all Employees of Indorama Ventures PCL and its subsidiaries and affiliates. The Code of Conduct for the Company has been announced to all employees and is signed off by them. All new employees are provided with a copy of the Code of Conduct as part of their orientation program and their agreement is obtained. All employees are required to sign the Code of Conduct in case of any revision in the code. The Code of Conduct for employees and Directors is published on the website of Indorama Ventures Public Company Limited.

The Company has a Policy on Internal Information Control and Use of Insider Information to regulate the conduct of all directors, executives and employees in keeping the Company's information confidential and to not divulge any confidential information with the aim of benefitting themselves or other persons, directly or indirectly. The Anti-Corruption Policy has been implemented by IVL to conduct the Company's global business operations honestly, fairly, without corruption or bribery, and with accountability. These policies are also published on the website of Indorama Ventures Public Company Limited.

Risk Assessment

IVL has a Sustainability and Risk Management Committee ("SRMC"). The Company's SRMC reviews the Company's performance on sustainability, assesses the risks associated with aspects on sustainable development and appraises the Board of risks with potentially significant impacts to ensure the institutionalization of robust business processes, procedures and policies. In addition, there is an effective process to evaluate and advise the Board on significant risks and uncertainties that could adversely impact sustainable and profitable growth. The Committee reports to the Board periodically on its activities and evaluates its performance on an annual basis by reference to its charter and current best practices.

Respective business heads who are members of the SRMC also closely monitor key business risks. The Committee reviews the sensitivity analysis of the business plan, greenfield and M&A projects.

Control Activities

IVL operating units have policies and procedures with regards to general management, procurement, sales and marketing, and the financial activities for all its units. These, together with the financial authority manual, ensure that adequate controls and checks are exercised by management to operate efficiently and to mitigate the risk of fraud or misappropriations. There is an adequate segregation of duties with respect to the 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 AC and recommended to the Board for its approval. Every quarter, a statement of all connected transactions is submitted to the AC 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. The 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 compliance with all applicable laws and regulations, and statutory filings are reported to the AC on a quarterly basis and to the Board on an as-needed basis. The Company has a Disaster Recovery Plan for IT processes to bring the IT system back to normal within a specified timeframe.

Information and Communications

The Company and management ensure that adequate and sufficient information is provided to the Board for their review and consideration. The minutes of the meeting of the Board of Directors are prepared by the Company Secretary. The minutes cover all aspects of discussions 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 the AC Secretary fulfill any requirements or provide any information needed to provide assistance to the Directors as requested. IVL has a Whistleblower Policy which provides channels for employees to lodge any anonymous complaints. The website of the Company provides various communications 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 regulatory agencies. IVL provides a communications channel to external parties who may contact the Company's independent directors by sending an email to: independentdirectors@indorama.net or ethics@indorama.net

Monitoring

The annual operational and performance budgets of the Company 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 AC. In addition, the AC reviews the annual audited financial statements and makes recommendations to the Board for its consideration and approval. IVL Management evaluates the capability of the corporate internal control system on an annual basis and updates it accordingly to reflect the evolving needs of the business.

The Company's in-house IAD formulates the annual internal audit plan which is approved by the AC. The risk-based audit plan considers several risk factors and the results of previous internal audit reviews. The annual Internal Audit plan is also discussed with Senior Management of the Company and ultimately approved by the AC. The IAD reviews the internal control system throughout the various business processes and across all subsidiaries according to its Annual Internal Audit Plan. The Deficiencies and Recommendations are communicated to the parties responsible for implementation. The audit reports and findings are presented to the AC on a half-yearly basis. From time to time, the AC also reviews a management letter from the external auditors. The AC also periodically reviews the status update on the implementation of outstanding recommendations. The IAD is in the process of developing a Control Self-Assessment (CSA) checklist for business processes. The CSA for Procurement, CAPEX and finance have been circulated to all sites for their control self-assessment. In addition, the CSA for Sales & Marketing, Financial Reporting and Inventory Management processes will be circulated to all units. The IAD reviews the CSAs as completed by the business units and reports on their compliance to the AC. The CSA approach will further facilitate the "Risk Awareness Culture" among employees working across all IVL entities.

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 AC has the authority to approve the appointment, transfer and dismissal of the Head of Internal Audit. Mr. Anil Ailani heads the Internal Audit Department at 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 business units and to ensure that they are in accordance with the applicable rules, 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 31st December 2017:

Connected Party & Relationship	Type of Transaction	(Amount in MB)	
		2016	2017
PT. Indo-Rama Synthetics Tbk., Indonesia (PTIRS)	Sale of raw materials/ products/ services/ utilities	1,419.83	1,698.70
<ul style="list-style-type: none"> The majority shareholding of PTIRS is ultimately controlled and held for the benefit of Mr. Sri Prakash Lohia and his immediate family. Mr. Sri Prakash Lohia is the President Commissioner and Mr. Amit Lohia is a Vice President Commissioner of PTIRS. Mr. Sri Prakash Lohia is Chairman and Non-Executive Director and Mr. Amit Lohia is Non- Executive Director of Indorama Ventures Public Company Limited (IVL). 	Purchase of raw materials/ products/ services/ utilities	1,116.53	1,673.04
PT. Indorama Petrochemicals, Indonesia (PTIP)	Sale of raw materials/ products/ rendering of services	10.44	0.00
Jointly controlled company – IVL and PT. Indo-Rama Synthetics Tbk. (PTIRS) indirectly and directly hold 47.25% of the shares of PTIP, respectively.	Purchase of raw materials/ products/ services	7,813.67	7,324.60
Indorama Eleme Petrochemicals Ltd., Nigeria (IEPL)	Purchase of utilities/ services	41.03	88.67
<ul style="list-style-type: none"> The majority shareholding of IEPL is ultimately controlled and held for the benefit of Mr. Sri Prakash Lohia and his immediate family. Mr. Sri Prakash Lohia is the Chairman and Mr. Amit Lohia is a Director of IEPL. 			

Connected Party & Relationship	Type of Transaction	(Amount in MB)	
		2016	2017
<p>Pacific Resources Ltd., Thailand</p> <p>Mr. Anuj Lohia, a son of Mr. Alope Lohia, is the major shareholder of Pacific Resources Ltd.</p>	Service expense (Office Lease)	7.17	7.70
<p>Cryoviva (Thailand) Ltd., Thailand</p> <p>Mr. Alope Lohia, Director of IVL is an indirect shareholder of Cryoviva (Thailand) Ltd.</p>	Service income (Office Lease)	1.13	1.13
<p>PT. Irama Unggul, Indonesia (IU)</p> <ul style="list-style-type: none"> The majority shareholding in IU is ultimately controlled and held for the benefit of Mr. Sri Prakash Lohia and his immediate family. Mr. Sri Prakash Lohia is the President Commissioner of IU. 	Service expense (Office Lease)	1.23	1.23
<p>Lohia Global Holdings Limited, Hong Kong</p> <p>Lohia Global Holdings Limited is owned by Ms. Shruti Lohia, daughter of Mr. Sri Prakash Lohia.</p>	Service expense (Royalty Fee for Indorama trade name)	147.41	174.77
<p>Vega Aviation Limited, British Virgin Islands</p> <p>Vega Aviation Limited is a Company which is 100% owned by Canopus International Limited, Mauritius, a company owned by the family of Mr. Sri Prakash Lohia and Mr. Alope Lohia.</p>	Service expense (Aircraft Lease)	88.22	94.84
<p>Thai Plaspac Public Co., Ltd, Thailand</p> <ul style="list-style-type: none"> Mr. Anuj Lohia son of Mr. Alope Lohia is a major shareholder. Mr. Kevin Kumar Sharma, son-in-law of Mr. Alope Lohia, is CEO. 	Sale of products	29.46	0.00

Connected Party & Relationship	Type of Transaction	(Amount in MB)	
		2016	2017
Yayasan Pendidikan Indorama, Indonesia (YP) The sole trustee of YP is Mr. Sri Prakash Lohia and Mr. Amit Lohia is Chairman of the Advisory Board of YP.	Service Expense (Job work)	11.27	17.42

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.