

Part 2

Management and Corporate Governance

7. Securities Information and Shareholders

7.1 Securities of the Company

As of 31 December 2018, Indorama Ventures Public Company Limited (the “Company”) 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 5,614,551,908 divided into 5,614,551,908 ordinary shares with the par value of Baht 1 per share.

7.2 Shareholders

1) Major Shareholders of IVL (as of December 31, 2018)¹

a) Top Ten Major Shareholders

No.	Shareholders	No. of Shares	%
1.	Indorama Resources Limited ²	3,504,991,318	62.43
2.	Thai NVDR Ltd.	358,677,424	6.39
3.	Bangkok Bank PCL.	270,905,264	4.83
4.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	162,726,901	2.90
5.	MORGAN STANLEY & CO. INTERNATIONAL PLC	98,757,586	1.76
6.	State Street Europe Limited	70,940,396	1.26
7.	GIC Private Limited	51,017,990	0.91
8.	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	35,737,557	0.64
9.	Canopus International Limited ²	33,216,361	0.59
10.	SOCIAL SECURITY OFFICE	31,874,300	0.57

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*	3,504,991,318	62.43
- Canopus International Limited**	130,000,000***	2.32
- 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.

*** 96,783,639 shares out of 130,000,000 shares are in the custodian of MORGAN STANLEY & CO.INTERNATIONAL PLC

**** Mr. Alope Lohia's shareholding in the Company, through his family holding in Canopus International Limited, is more than 25 times of his annual base salary.

- 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 64.75 percent

- c) *The ultimate shareholders of the Company*

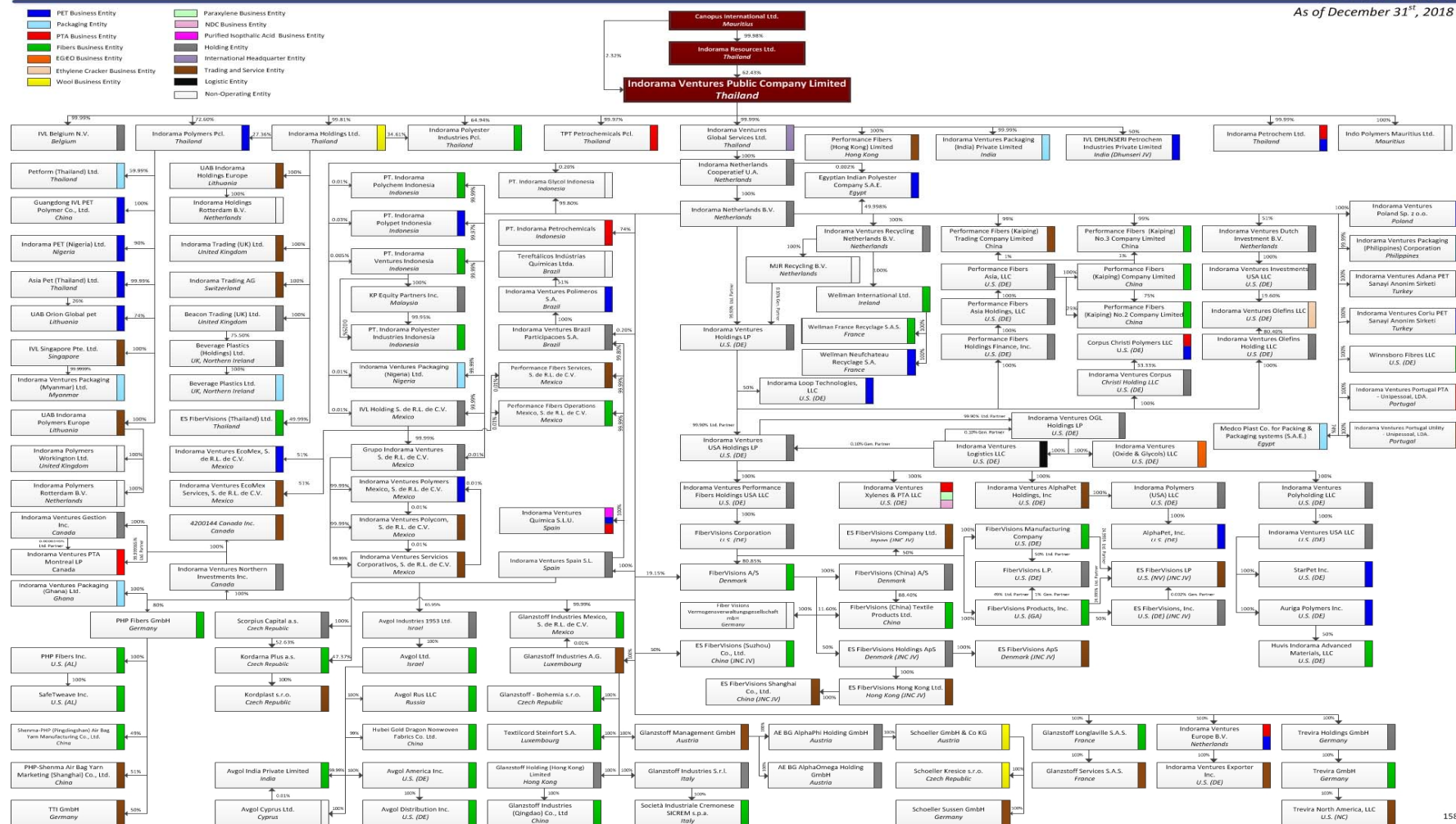
Indorama Resources Limited* holds 62.43 percent and Canopus International Limited** holds 2.32 percent in the Company's shares respectively.

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.

INDORAMA
VENTURES

PET Business Entity	Paraxylene Business Entity
Packaging Entity	NDC Business Entity
PTA Business Entity	Purified Isophthalic Acid Business Entity
Fibers Business Entity	Holding Entity
EGEO Business Entity	International Headquarter Entity
Ethylene Cracker Business Entity	Trading and Service Entity
Wool Business Entity	Logistic Entity
	Non-Operating Entity



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 2018, the Company had issued unsubordinated and unsecured debentures on 8th June 2018 in the amount of Baht 17,500 million. And the Company had redeemed unsubordinated and unsecured debentures on maturity date on 27th June 2018, 19th October 2018 and 14th December 2018 in the amount of Baht 550 million, Baht 1,400 million and Baht 780 million, respectively.

As at 31st December 2018, the Company had outstanding unsubordinated and unsecured debentures totalling Baht 51,170 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
IVL210A	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
IVL210B	Debentures of INDORAMA VENTURES No. 1/2011 Tranche 6	3,163	5.35%	10 years	19 October 2021
Total		3,200			

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
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		4,000			

Debenture issued on 27th June 2013:

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
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		1,620			

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			

Debenture issued on 8th June 2018:

Symbol	Name of Debenture	Amount (MB)	Interest Rate per year	Term of Issue	Maturity Date
IVL216A	Debentures of INDORAMA VENTURES No. 1/2018 Tranche 1	3,000	2.31%	3 years	8 June 2021
IVL236B	Debentures of INDORAMA VENTURES No. 1/2018 Tranche 2	3,000	2.78%	5 years	8 June 2023
IVL256A	Debentures of INDORAMA VENTURES No. 1/2018 Tranche 3	1,500	3.18%	7 years	8 June 2025
IVL286A	Debentures of INDORAMA VENTURES No. 1/2018 Tranche 4	1,800	3.83%	10 years	8 June 2028
IVL306A	Debentures of INDORAMA VENTURES No. 1/2018 Tranche 5	5,000	4.12%	12 years	8 June 2030
IVL336A	Debentures of INDORAMA VENTURES No. 1/2018 Tranche 6	3,200	4.27%	15 years	8 June 2033
Total		17,500			

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			

7.3.3 Debentures of Avgol Industries 1953 Ltd. (“Avgol”)

As at 31 December 2018, Avgol, an indirect subsidiary of IVL, had outstanding unsecured debentures totalling USD 197.9 million, as follows:

No.	Amount (M USD)	Interest Rate per year	Term of Issue	Maturity Date
1/2014-C	144.0	4.75%	10 Years	31 December 2024
1/2017-D	53.9	3.90%	8 Years	31 December 2025
Total	197.9			

On 14 August 2014, Avgol issued the Unsecured Debenture series C of USD 144.0 million to the public.

On 28 March 2017, Avgol issued the Unsecured Debenture series D of USD 53.9 million to the public.

7.4 Dividend Policy

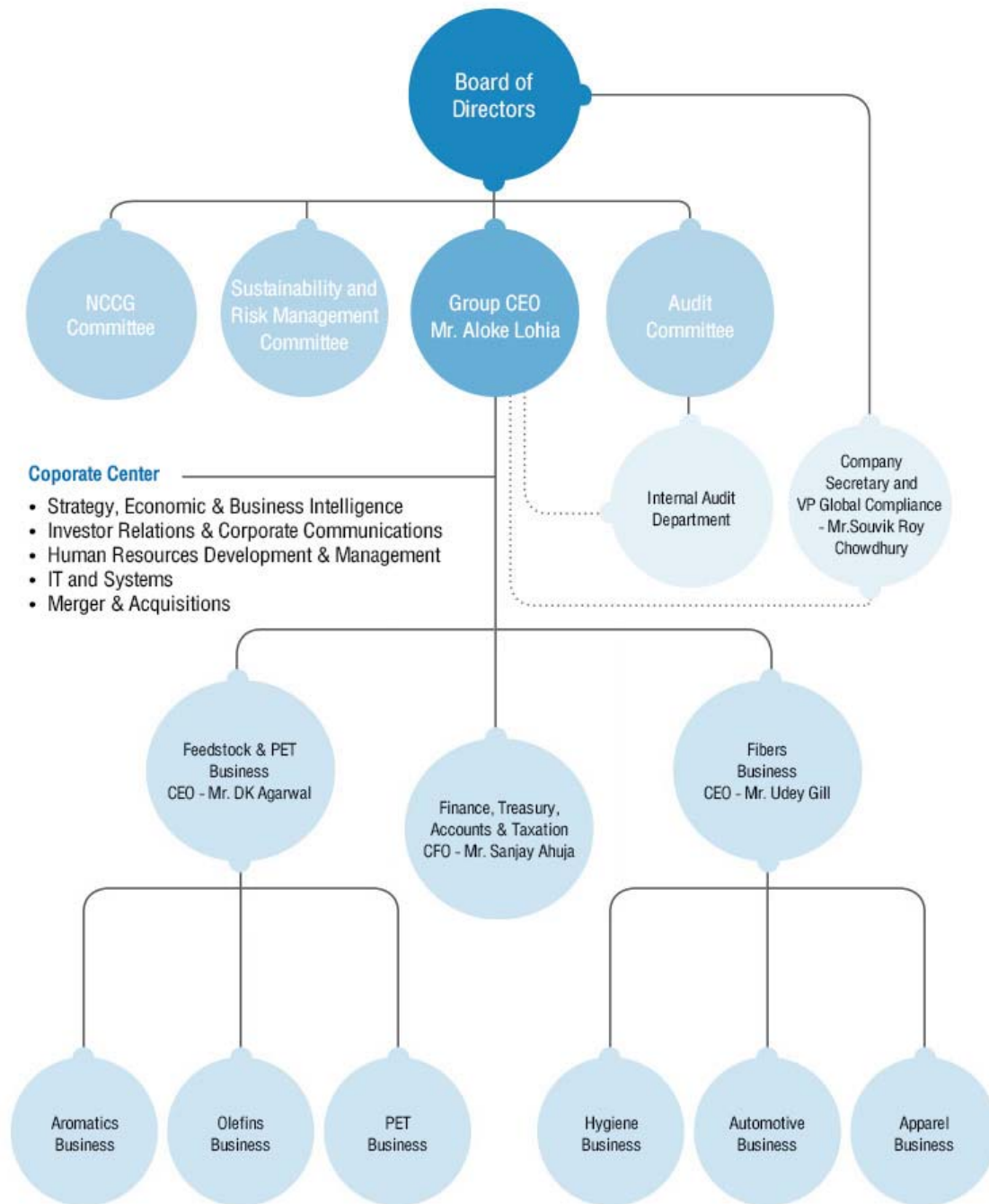
Dividend Policy of the Company

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 2018, 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. Aloke 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 Lead 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 Member of the Sustainability and Risk Management Committee 	27 April 2010
13. Mr. Russell Leighton Kekuewa	<ul style="list-style-type: none"> Independent Director Member of the Sustainability and Risk Management Committee Member of the Nomination, Compensation and Corporate Governance Committee 	20 October 2014

Name	Position	Appointment Date of Directorship
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 2018						
Name	Board of Directors (6 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 2018
1. Mr. Sri Prakash Lohia	6/6	-	-	-	-	1/1
2. Mr. Alope Lohia	6/6	-	-	2/2	-	1/1
3. Mrs. Suchitra Lohia	6/6	-	-	-	-	1/1
4. Mr. Amit Lohia	4/6	-	-	-	-	0/1
5. Mr. Dilip Kumar Agarwal	6/6	-	-	2/2	-	1/1
6. Mr. Udey Paul Singh Gill	6/6	-	-	1/2	-	1/1

Meetings in 2018						
Name	Board of Directors (6 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 2018
7. Mr. Sanjay Ahuja	6/6	-	-	-	-	1/1
8. Mr. Rathian Srimongkol	6/6	6/6	-	2/2	1/1	1/1
9. Mr. William Ellwood Heinecke	5/6	-	4/4	-	1/1	1/1
10. Mr. Maris Samaram	6/6	6/6	-	2/2	1/1	1/1
11. Dr. Siri Ganjarende	6/6	6/6	3/4	-	1/1	1/1
12. Mr. Kanit Si*	6/6	-	4/4	0/1*	1/1	1/1
13. Mr. Russell Leighton Kekuwa**	6/6	-	3/3**	2/2	1/1	1/1
14. Mr. Chakramon Phasukavanich	6/6	-	4/4	-	1/1	1/1

* Mr. Kanit Si was appointed as the Member of the Sustainability and Risk Management Committee with effect from 1st May 2018.

** Mr. Russell Leighton Kekuwa was appointed as the Member of the Nomination, Compensation and Corporate Governance Committee with effect from 1st May 2018.

Executives

As of 31 December 2018, 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 Feedstock 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.
- Supporting 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 developing and updating 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 2018

The Board of Directors and the management of Indorama Ventures is firmly committed to implementing and practicing good corporate governance in pursuit of its long term sustainable business goals and will continue to cover Corporate Governance Code for listed Companies 2017 and recommendations of the Securities Exchange Commission (SEC), Stock Exchange of Thailand (SET), Institute of Directors, Thailand (IOD) and others. The Company will always strive to ensure that all employees of IVL are aware of the Governance 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 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 IOD, ASEAN Corporate Governance Scorecard and Transparency International.

IVL Corporate Governance Awareness Campaign 2018

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 communicating, 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 18 languages and they are all uploaded on the Company website www.indoramaventures.com and can be accessed to by all employee. A Policies Handbook, containing all the company's policies, has been

made available to all employees. In 2018, 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 the status to the Nomination, Compensation and Corporate Governance Committee and Board in November 2018. Site/HR heads ensure that all employees are informed about IVL policies as soon as they join the Company.. 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.

To strengthen the understanding of employees about policies and Code of Conduct of the Company, training courses are imparted both in the form of live seminars and online self-learning courses, 82% of all IVL employees have attended such training sessions in the past three years with 76% of the sites having achieved 100% training coverage to their employees.

To pursue the embedding of corporate governance policies and principles into the minds of employees, a Corporate Governance department 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. Training materials are disseminated to all subsidiaries.

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

Currently the CGPAC team is developing a Corporate Governance Manual to bring together all our governance policies and codes of conduct in one combined document in order to provide a clear focus for the directors and employees for better understanding, reference, training and implementation. It will be rolled out early 2019.

For the continued practice of good Corporate Governance in 2018 the Company received the following assessment and awards:

1. **A score of 100 percent for the 2018 Annual General Meeting** of Shareholders, judged by the Thai Investors Association. This was the seventh 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 94 percent. This is the sixth consecutive year that IVL received the “5 star” rating.
3. The Company successfully renewed its certification for **Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC)** in May 2018. IVL received its first certification in October 2014.
4. The company has been listed in the **RobecoSAM’s Sustainability Yearbook 2019**.
5. The company participated in the **CDP’s Climate Change Assessment** for third consecutive year and achieved “B” Rating in 2018

6. The company was awarded **SET Sustainability Awards 2018** in the category of Outstanding by Stock Exchange of Thailand.
7. The company received the **Thailand Sustainability Investment (THSI)** award from the Stock Exchange of Thailand for the fourth consecutive year.
8. The company won a **Sustainability Report** award from SET in 2018 for the fifth consecutive year.
9. The company has been listed in a constituent of the **FTSE4Good Index Series** and received the Best ESG Score at the Top of the group.
10. The company received a **Gold Recognition level for sustainability from EcoVadis**. The achievement places the company at the top 3% of the companies in manufacture of basic chemicals.
11. The company has been listed in the **Leading SET Index 2018 Bloomberg ESG Disclosure Scores**.
12. **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 fourth consecutive year.

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 *	6/6

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

The role and responsibility of the Audit Committee is specified in the Audit Committee Charter which is available on the Company's website www.indoramaventures.com under "Our Company"- Corporate Governance Section.

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 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. Narayanaswamy Subramanian. 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 2018 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. 4/2018 held on May 11, 2018 approved the reconstitution of the NCCG Committee by appointing Mr. Russell Leighton Kekuewa, independent director as the fifth member of the NCCG Committee with effect from May 2018. All members on the Committee are independent directors. The term of the Committee expires in May 2020.

Mr. Alope Lohia, Group CEO, is an advisor to the NCCG Committee.

The Nomination, Compensation and Corporate Governance Committee held four meetings during 2018 with the attendance of members as follows:

Name	Attendance
Mr. William Ellwood Heinecke	4/4
Dr. Siri Ganjarende	3/4
Mr. Kanit Si	4/4
Mr. Chakramon Phasukavanich	4/4
Mr. Russell Leighton Kekuewa*	3/3

* Mr. Russell Leighton Kekuewa was appointed as member on the NCCG Committee on May 11, 2018.

The role and responsibility of the NCCG Committee is specified in the NCCG Committee Charter which is available on the Company's website www.indoramaventures.com under "Our Company" - Corporate Governance Section.

A report from the NCCG Committee is separately disclosed 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 Kekuewa, Independent Director. The current term of the SRMC Committee expires in August 2019.

The Board at its meeting No. 4/2018 held on May 11, 2018 approved the reconstitution of the SRMC Committee by appointing Mr. Kanit Si, Independent Director as the seventh member to the Committee.

The SRMC Committee held two meetings during the year with the attendance of members as follows:

Name	Attendance
Mr. Alope Lohia	2/2
Mr. Rathian Srimongkol	2/2
Mr. Maris Samaram	2/2
Mr. Dilip Kumar Agarwal	2/2
Mr. Udey Paul Singh Gill	1/2
Mr. Russell Leighton Kekuewa	2/2
Mr. Kanit Si*	0/1

* Mr. Kanit Si was appointed as member on the SRMC Committee on May 11, 2018.

The role and responsibility of the SRMC Committee is specified in the SRMC Charter which is available on the Company's website www.indoramaventures.com under "Our Company"- Corporate Governance Section.

A report from the SRMC Committee is separately disclosed in the Annual Report

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 set up the Board agenda and ensure 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.

As part of Good Governance the Lead Independent Director assumes the role of the Chairman of the Board in the absence of the Chairman at any Board meeting.

Mr. Rathian Srimongkol, Independent Director and Chairman of Audit Committee is the Lead Independent Director.

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.

Moreover key information of each subsidiary and associate company is maintained by the Corporate Secretarial department and regular updates taken and changes to records made as required.

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 425 Board's and Shareholders' meetings in 2018 which are summarized below:

Region	No. of Companies	No of Meetings
Asia	38	163
Europe	55	162
Americas	54	78
Africa and Middle East	8	22

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 2018 for IVL and all its subsidiaries, jointly controlled entities and associates globally were as following:

Particulars	Unit: Million Baht	
	2017	2018
1. The total audit fees for IVL and all its subsidiaries, jointly-controlled entities and associates globally	148	171*
a) Payment to KPMG Phoomchai Audit Ltd and other members firms of KPMG Phoomchai Audit Ltd.	137	151
b) Other Audit firms	11	20
2. The total non-audit fees paid to member firms of KPMG International other than KPMG Phoomchai Audit Ltd **	76	91

* There were seven new acquisitions completed during 2018.

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

9.7 The Practice of Corporate Governance in 2018

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." The Board however decided to fix the retirement age of Independent Directors to be 72 years at their meeting no. 6/2018 in November 2018.
3. The Company has formalised the appointment a Lead Independent Director in February 2018.
4. The Institute of Directors, Thailand carried out an independent assessment on the practices of Corporate Governance and performance of the Board during the year and presented their report to the Board in November 2018. The overall report was more than satisfactory and some recommendations were given for more effectiveness.
5. The Nomination Compensation and Corporate Governance Committee has the Group CEO as an advisor along with five Independent Directors in order to ensure quick response and

- implementation of recommendations made by the Independent members. An additional Independent Director was appointed in May 2018.
6. The Sustainability and Risk Management Committee appointed an additional Independent Director in May 2018 thereby taking the total number of members to 7.
 7. 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.
 8. A new Whistle blower reporting channel through an independent website was undertaken in order to facilitate an additional communication channel. This is detailed in the later part of the report.
 9. Charters and other governance policies were reviewed and amendments made as required. This is discussed in later part of the report.
 10. 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.1/2018 held on April 26, 2018

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, 2018. 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 in February 2019.

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 (2017) and the three reviewed quarterly financial statements of 2018 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 visit by the Shareholders' to its plants. The trip was organized on November 28, 2018 to visit the factories at Rayong Thailand. 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. 1/2018 was held on April 26, 2018 and the Notice was issued out on March 23 2018.

All information sent to the shareholders was posted on the Company's website both in English and Thai on March 7 2018 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, 2018 and local newspapers to remind the Shareholders to participate at the Shareholder meeting.

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 three 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.

Re-appointment of retiring Directors

In 2018, 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.

b) 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 2018 and the annual bonus for all IVL Directors payable for 2017 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. There was no change in the retainer fee in 2018. No retainer fee is paid to the Executive Directors on the Board of IVL.

Details of remuneration in 2018 paid to the Independent Directors and Non-Executive Directors and the bonus for 2017 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 2018 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.

c) 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 2017 and 2018 and separately Company audit fee proposed in 2018, together with the opinion of the Board based on the recommendation of the Audit Committee.

d) 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 2017 performance at Baht 1.00 per share. Out of the said final dividend, an interim dividend of Baht 0.45 per share was paid by the Company on September 06, 2017 and the Company paid the remaining dividend of Baht 0.55 per share on May 25, 2018.

e) 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 2017, the AGM was held on April 26, 2018. The meeting started with 3,178 shareholders in person or proxy and representing 82.12% of the total shares sold. At the close of the meeting there were 3,407 shareholders in person or proxy and representing 82.16%. The meeting started at 2.00 pm and ended at 4.30 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. Directors who were to be re-appointed at the meeting left the meeting room when the agenda on their re-appointment was taken up.

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.

f) 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.

g) 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. As mentioned earlier an exercise is underway to have a single code under a Corporate Governance Manual for Directors and employees which is expected to be rolled out in 2019.

In 2018, 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.

h) 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 policy provides definition of corruption and explains the key practices in order to avoid engagement in any form of corruption.

The Company also adheres to all local, national and international laws where appropriate.

The CAC Certification was first received by the Company in 2014 and successfully renewed in 2018 for another three years.

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 continuously enforces training in the local languages.

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. Details on training provided in IVL Corporate Governance Awareness Campaign 2018.

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.

i) 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
- Health 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.

The Company hired J.D. Power to perform a customer satisfaction survey during the year. The customer satisfaction index average score for 2018 is 86.01% an increase of 0.55% over 2017.

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.

- *Suppliers:*

IVL and its subsidiaries foster symbiotic, long-standing and growing relationships with all its suppliers, based on mutual benefit and guided by good business ethics. We also want to work with our suppliers 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. Suppliers 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 suppliers, 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 suppliers 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 2018, two contacts were made to the Whistleblower Committee. One has been resolved while another is still under an investigation. The results of the investigations and the actions taken were reported to the NCCG Committee and the Board of Directors.

Moreover, during the year, the CGPAC team initiated another Whistleblower reporting channel by way of an independent website. The main objective was to provide another anonymous reporting option that would be more convenient, secure and easy to use and for better communication between the reporter and Ethics Committee. This will be launched in early 2019.

The Whistleblower Policy and the reporting website are EU General Data Protection Regulation (GDPR) compliant.

- *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- February 20, 2018 and November 19, 2018
- Nomination, Compensation and Corporate Governance Committee Charter- February 20, 2018

They uploaded on the Company website.

The Board reviewed the Vision, Mission and Values Statement of the Company and were of the opinion that no change was required to the current statement.

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 2018 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. 145 or email to strategy&ir@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, 2018 to December 31, 2018 is as follows:

Report of Changes in Securities Holding of the Company's Directors and Executives as at 31st December 2018

No.	Name	Ordinary Shares (Shares)				
		As at 31 Dec 2017	Changes in 2018		As at 31 Dec 2018	
		No. of Shares		No. of Shares	No. of Shares	%
1	Mr. Sri Prakash Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
2	Mr. Alope Lohia	10	Acquisition/Disposition	-	10	0.000
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
3	Mrs. Suchitra Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	10	Acquisition/Disposition	-	10	0.000
4	Mr. Amit Lohia	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
5	Mr. Dilip Kumar Agarwal	51,570	Acquisition/Disposition	145,061	196,631	0.004
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
6	Mr. Uday Paul Singh Gill	36,346	Acquisition/Disposition	14,976	51,322	0.001
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
7	Mr. Sanjay Ahuja	30,004	Acquisition/Disposition	11,019	41,023	0.001
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
8	Mr. Rathian Srimongkol	265,000	Acquisition/Disposition	-	265,200	0.005
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
9	Mr. Maris Samaram	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
10	Mr. William Ellwood Heinecke	2,994,932	Acquisition/Disposition	-	2,994,932	0.053
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
11	Dr. Siri Ganjarerndee	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
12	Mr. Kanit Si	300,000	Acquisition/Disposition	-	300,000	0.005
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
13	Mr. Chakramon Phasukavanich	-	Acquisition/Disposition	-	-	-
	Spouse and Minor Children	102,000	Acquisition/Disposition	354	102,354	0.002
14	Mr. Russell Leighton Kekuewa	489,000	Acquisition/Disposition	50,000	539,000	0.010
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
15	Mr. Manoj Kumar Sharma	9,803	Acquisition/Disposition	5,932	15,735	0.000
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-
16	Mr. Souvik Roy Chowdhury	12,117	Acquisition/Disposition	6,587	18,704	0.000
	Spouse and Minor Children	-	Acquisition/Disposition	-	-	-

Reporting

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

IVL has set a black out period for trading in IVL securities. Every quarter, the Company 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.

The detailed role and responsibility of the Board is clearly set out in the Board of Directors Charter which is uploaded on the Company website.

Board approvals

The average attendance for the Board meeting held during 2018 has been approx. 96.43% (over 2/3rd). For the Annual Budget approval and four quarterly meetings the attendance was 100%. 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 2018 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.

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.

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. During the year the role and responsibility of the Company Secretary was revised as per the recommendations of the SEC and the revised role and responsibility was uploaded on the Company's website.

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 2018.

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.

The NCCG Committee and the Board at their meeting in November 2018, approved to fix the retirement age of Independent Directors at 72. This was done to facilitate succession planning. Independent Directors may not stand for election if they have reached the age of 72. Necessary changes were made to the Board of Directors Charter.

6. Evaluation of Performance

The Board and sub-committee members carried out a self-evaluation on the Board and sub-committee performance in 2018. The results were summarized and discussed at the Board meeting held in February 2019. The Board and subcommittee members were evaluated as having given very good performance rating in 2018.

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.

Similar evaluation is done by the Sub Committees.

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

- Supports the mission, vision and aims/objectives of this organization.
- Understands IVL's main business and does not intervene in the objectives or work for any competitor
- Understands the role of the Board and the legal and ethical responsibilities of a Board member
- Usually attends regular and special board meetings and other events requiring board participation.
- Studies the agenda items before attending the meeting and ensures that information is sufficient to proactively consider the agenda
- Carefully reviews all the minutes of the each Board of Directors and Shareholder meetings
- Examines all documents relating to all matters that concern the board of directors. If something is not clear, he/she asks the management to explain as quickly and clearly as possible
- Raises questions on important matters and gives suggestions and recommendations to the management
- Carry out other committee responsibilities in an effective and timely manner.
- Ensures management's accountability to shareholders; preserves their rights and interests; clearly and fully discloses information
- Attends all Board meetings and makes decisions on significant activities by the Company concerning the acquisition and disposition of assets, investment project expansion, policy implementation, and/or risk management etc.
- Avoids participation in board issues where it may be perceived there is a conflict of interest.
- Avoid other positions or jobs that may have led to conflicts of interest with the Company.
- Accepted only those positions as director or non-executive director on the Board of listed companies that allow sufficient time to attend meetings.
- Willing to participate in development opportunities, including workshops, information sessions and conferences, and in taking on new roles.
- Enjoys service as a Board member in the organization or actively works to change the issues or activities which are a barrier, or reconsidering commitment to the organization.

For Independent Directors

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

7. Functional Performance

The Board of Directors held six meetings during 2018. 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, Lead Independent Director, all the independent Directors met on January 23, 2018 to review and discuss the Company's performance and other matters. A similar meeting of the Independent Directors will be held on January 22, 2019. The Lead Independent Director updated the Group CEO on the outcome of their meeting.

The Chairman, Group CEO, Lead Independent Director 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 subsidiary companies are provided to Board members as requested.

The following are the details of attendance of the Board of Directors' meeting in 2018:

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

*The average attendance of 12 out of the total 14 Directors for the year 2018 was 100% and the average for all Directors was 96.43%.

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 recommended 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 2018, the total annual remuneration approved at the Annual General Meeting of Shareholders No. 1/2018 held on April 26, 2018 was an amount of not exceeding Baht 26,000,000.

The actual remuneration paid in 2018 is Baht 25,419,990 against the approved amount of Baht 26,000,000. 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 Ganjarerndee	50,000 per month	600,000
8	Mr. Kanit Si	50,000 per month	600,000
9	Mr. Russell Leighton Kekuewa	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 Ganjarerndee	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 Ganjarerndee	25,000 per month	300,000
3	Mr. Kanit Si	25,000 per month	300,000
4	Mr. Chakramon Phasukavanich	25,000 per month	300,000
5.	Mr. Russell Leighton Kekuewa*	25,000 per month	200,000
Total			1,520,000

* Mr. Russell Kekuewa joined the Committee from May 2018.

As Sustainability and Risk Management Committee Members

No.	Members	Amount approved (Baht)	Actual Paid (Baht)
1	Mr. Rathian Srimongkol	25,000 per month	300,000
2	Mr. Maris Samaram	25,000 per month	300,000
3	Mr. Russell Leighton Kekuewa	25,000 per month	300,000
4	Mr. Kanit Si*	25,000 per month	200,000
Total			1,100,000

**Mr. Kanit Si joined the Committee from May 2018.

Bonus to Directors for the performance of 2017

No.	Directors	Actual Paid (Baht)
1	Mr. Sri Prakash Lohia	1,111,110
2	Mr. Alope Lohia	1,666,670
3	Mrs. Suchitra Lohia	833,330
4	Mr. Amit Lohia	555,560
5	Mr. Dilip Kumar Agarwal	1,111,110
6	Mr. Udey Paul Singh Gill	1,111,110
7	Mr. Sanjay Ahuja	1,111,110
8	Mr. Rathian Srimongkol	1,666,670
9	Mr. Maris Samaram	1,111,110
10	Mr. William Ellwood Heinecke	833,330
11	Dr. Siri Ganjarerndee	1,111,110

No.	Directors	Actual Paid (Baht)
12	Mr. Kanit Si	1,111,110
13	Mr. Russell Leighton Kekuewa	833,330
14	Mr. Chakramon Phasukavanich	833,330
Total		14,999,990

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 2018 was approx. Baht 182.96 million out of which the Remuneration paid to the Group CEO, 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. Alope Lohia, Group CEO	49.45
2	Mr. Dilip Kumar Agarwal, CEO of PET and Feedstock business	43.62
3	Mr. Udey Paul Singh Gill, CEO of Fibers business	24.93

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 taking into consideration the knowledge, potentiality and performance evaluation.

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 2018 was held from January 29-30, 2018 in Bangkok.

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.

During the year the following Directors attend the below training programs at Institute of Directors, Thailand:

1. Mr. Maris Samaram attended IT Governance and Cyber Resilience Program (ITG) Class No. 8/2018 and Risk Management Program for Corporate Leaders (RCL) Class No. 13/2018.
2. Mr. Russell Leighton Kekuewa attended Strategic Board Master Class (SBM) Class No. 3/2018.
3. Mr. Chakramon Phasukavanich attended Board Matters and Trends Agenda (BMT) Class No. 6/2018.

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



When it comes to our people, we believe in creating a culture where the workplace is a home away from home. Where together, we dream, aspire, create and celebrate a better everyday life for ourselves, our customers and society.

Working with Indorama Ventures is so much more than just a job. Some would call it an “extended family,” while others would say “passionate teams.” But regardless of these descriptions, at Indorama Ventures, we live by our values which means creating a valuable workplace proposition. With 19,581 colleagues from 74 nationalities, we are a living entity working together in 31 countries to build trust, learn and grow in addition to delivering. One of the vital differentiating factors that nurtures this culture is our people strategy.

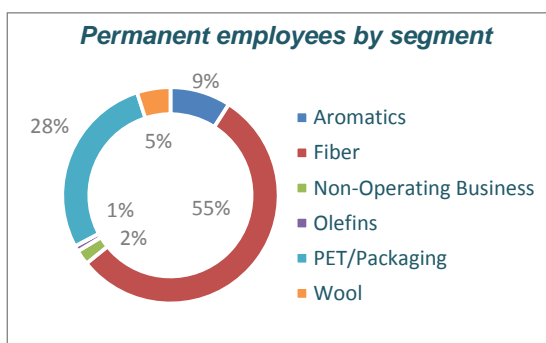
Our people strategy is premised on creating business relevant fit-for-purpose capabilities which help us to remain close to our vision, mission and values. The first lever of our people strategy is to enable the organization to adapt to future change by ensuring leaders at all levels are nimble and innovative in ways that deliver sustainable market value. The second lever is strengthening systems and processes that help people to demonstrate differentiating potential and performance. The third lever is enabling these leaders to deepen their competence through developmental initiatives, mentoring and coaching. By offering such diverse experiences and challenges in various business contexts, Indorama Ventures has an unparalleled advantage in delivering on our people strategy. Essential highlights of the outcome of our people strategy for 2018 are available in above picture.

1. People choose Indorama Ventures because of what we stand for

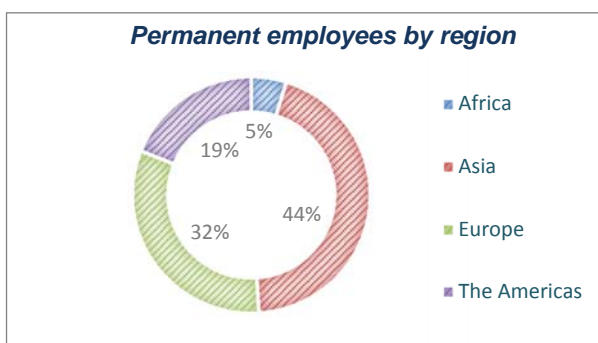


Our headcount grew by +22.83% to **19,581**.

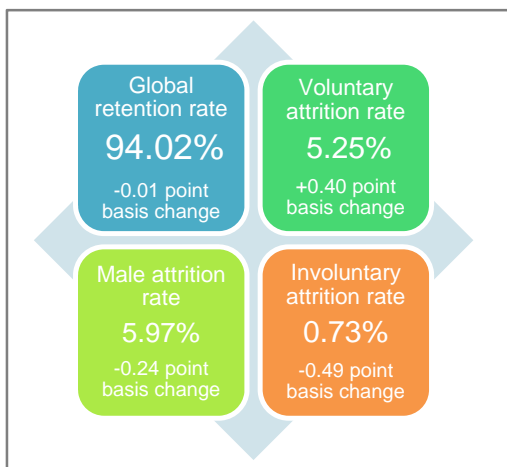
Acquisitions contributed 98.45% of the growth in headcount.



48.63% of the permanent headcount increase was in Fiber followed by 30.32% in PET/Packaging, 13.88% in Wool and 6.22% in Aromatics.



72.95% of the permanent headcount increase was in EMEA followed by 13.82% in America and 13.22% in Asia.



We put our talent analytics at centre stage throughout the employee lifecycle. With the insights gathered from strategy meet sessions by the senior leadership team, Global Employee Engagement Survey, and focused group discussions, we calibrate the employee lifecycle processes underpinned by data analytics to attract and retain talent. Launch of global platform in 2019 to learn and adopt the best retention interventions prevailing across all business units was a major enabler to understand the levers of retention. This approach has reinforced our focus and imperatives to retain our talent in a sustainable way.

Campus connect programs in countries such as Thailand are an important way to infuse fresh talent from engineering and management institutes by offering motivated students with internships. This program not only provides special training to the interns but also helps them fully apply their learning to practical experiences with a special emphasis on teamwork, project management, cross functional networking and effective communications. In 2018, 16 paid interns from the best universities in Thailand completed the live projects report and returned to their universities to continue their formal education. After completing their studies, job offers will be given to these prospective employees.

2. Creating value through diversity

When people with different ideas and viewpoints work together, they create value by enabling a platform to communicate and execute on ideas. Our diversity and inclusion efforts are focused on leading and managing inclusively – embracing different cultures, ethnicities, genders and sexual orientations; creating a work environment that fosters growth and advancement, and engaging with our audiences in a way that reflects and respects their unique perspectives and experiences. 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 designs and provide appropriate training for employees who have disabilities. Some of our diversity indicators are as follows:

Gender Diversity

Female constitute **22.38%** of permanent employees. The proportion of female has increased by 1.73% as compared to 2017.

Nationalities

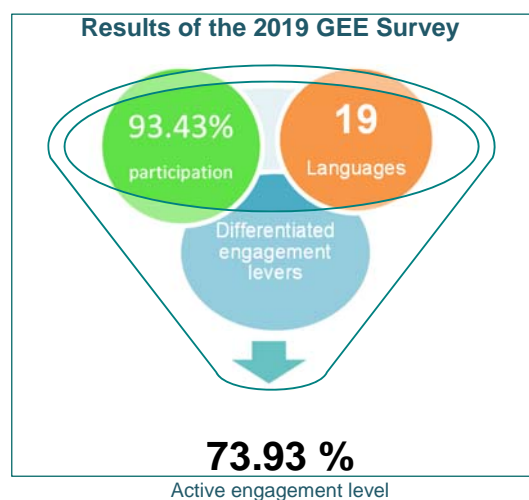
Our teams across the globe include **74** nationalities compared to 63 nationalities in 2017.

Age Diversity



3. Engaged people

Looking back on 2015 which was the launch for our first Global Employee Engagement (GEE) Survey, the headways we made in our employee engagement journey till now is impressive. The year-on-year improvements both in terms of employee participation and engagement scores has been significant. The GEE for year 2019 was conducted in 19 languages. The shift of +0.5 point basis in active engagement scores testifies that we are well on track in exploring and setting of ways to engage our workforce in a more meaningful way.



The increase in the overall engagement score attributes to engagement interventions underpinned by data analytics that combines multiple parameters like tenure, gender, and age. We promote the disclosure of any misconduct or views about our processes and practices. In addition to local channels, an email address is given on our website for employees to report potential breaches of Indorama Ventures' Values and Code of Conduct. The Ethics Council takes immediate action on these cases by maintaining 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 Independent Board of Directors

4. Trailblazing learning and development

Learning & Development facts	Learning domains																
<ul style="list-style-type: none"> - 30.80 training hours per employee. Shift of +35.62% - 88.16% training coverage. Shift of +7.26% - 573,130 hours of training. Shift of +73.79% - 38 participants in the i-Lead leadership development program to prepare the next-generation of leaders - 27 participants for the v-Lead leadership development program to develop cross functional expertise - 18 high potential managers participated in the “Shadow Development” program meant to develop local talent. 	<table> <tr> <th>Focus Area</th><th>Training Hours</th></tr> <tr> <td>EHS & Quality</td><td>192,306</td></tr> <tr> <td>Functional</td><td>172,083</td></tr> <tr> <td>Technical</td><td>96,567</td></tr> <tr> <td>Leadership</td><td>69,171</td></tr> <tr> <td>Induction</td><td>31,424</td></tr> <tr> <td>Language Skills</td><td>11,578</td></tr> <tr> <td>Total</td><td>573,130</td></tr> </table>	Focus Area	Training Hours	EHS & Quality	192,306	Functional	172,083	Technical	96,567	Leadership	69,171	Induction	31,424	Language Skills	11,578	Total	573,130
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At Indorama Ventures, learning takes place every day with an effort towards enabling capability and talent development. The focus is on experiential learnings associated with career conversations, stretch roles, discreet rotations/shadowing and cohort-based leadership development programs. We created multiple forums, channels, and eLearning platforms to facilitate experiential learnings. Apart from the strategic leadership development programs such as i-Lead, v-Lead and shadow development, the following are some of the initiatives we put in place in 2019.

- “Share” forum: This forum was launched to identify, share and adopt the best training programs across all business units. The program’s originators conducted global webinars for targeted participants. A few of them were further trained to impart the same training with their respective participants.
- In collaboration with edX, a leading MOOC platform (Massive Open Online Course), we crafted 250 e-Learning programs across all facets of the business. These programs were from Ivy League universities including Harvard and Yale, and were made available to i-Lead and v-Lead participants to step-up their cross functional understanding.
- The nine-month “Shadow Development” program was co-developed between Indorama Ventures and Sasin Institute, one of the most well-regarded business schools in Thailand. This program offers a unique blend of learning through a traditional classroom setting, site visits, projects and peer learning.

5. Compensation and rewards

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

Employee Joint Investment Program (EJIP): This program began in 2017. The EJIP allows employees to become shareholders in Indorama Ventures, aligning their interest with the Company's performance through share ownership. Employees and the Company invest in existing listed shares in the name of participating employees on monthly basis for a period of time.

Award for excellence: Award for excellence serves as an inspiration for our employees to challenge all boundaries and produce outstanding results, and is based on stellar performance across 12 criteria, mainly in finance, operations and sustainability. The best business units are identified by benchmarking their performance across these criteria. These units are then provided with awards at the Global Strategy meet. Cash incentives are also given to all of the employees of these units as a recognition of their great team work.

GCEO remuneration to average employee remuneration Ratio: The ratio is as follows

	Remuneration -2018
GCEO (in 000 THB)	49,452.00
Average Employee Remuneration (in 000 THB)	1206.34
Ratio	40.99

6. Succession Planning

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.

7. Human Rights

Business succeeds 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 a yearly global survey in 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 there are no human rights violations across our organization.

8. Health and Safety

"Committed to Zero" is our top priority, with a target of having zero lost time injuries. Our senior leadership team believes in promoting a safe working environment across the organization and has taken the onus of being a role model to showcase the vital importance of workplace safety. The safety of our work force is our utmost priority. We continuously strive towards achieving our goal of zero accidents in the workplace as well as eliminating injuries and occupational diseases across the Company. 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 interventions to reduce workplace risks.

9. *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 an **increased global presence** comes even **greater responsibility** to operate in an **environmentally and socially** responsible way.

Sustainability remains a **core commitment** for Indorama Ventures in both our approach and values. With our deep commitment, we drive a comprehensive strategy through structures and processes which are implemented by employees at all levels. Our **long-term focus** incorporates sustainability at all levels of the Company, and we continue to invest in opportunities that enhance our earnings and operations, and support our employees who have enabled us to move from **better to best**. The Board oversees and advises on **significant strategic activities and policies** regarding **sustainability practices** and initiatives through the **Sustainability and Risk Management Committee**. Our Sustainability and Risk Management Governing Structure can be found at <http://www.indoramaventures.com/en/sustainability/our-sustainability>.

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. Our focus on building a **stronger and recyclable PET** has resulted in our continuity in **leveraging our size, scale and global presence to pursue selective strategic acquisitions in promising businesses, especially high value-added and high-performance business**. This remains a **firm part of our strategy in supporting a circular economy**. Meanwhile, the investments we are making to drive growth were evident throughout our portfolio, and throughout the world, as various new sites opened, a total of **19 new sites in 2018**, in addition to **the expansion of several locations** including in China and the United States.

We conduct our business and operations with a **responsibility to our stakeholders**. Ethics and commitment form the core of best business practices. We **regularly engage** with both internal and external stakeholders to maintain excellent working relationships and to understand, prioritize and incorporate their expectations, interests and concerns into our business operations. **A multi-faceted approach** allows us to effectively absorb **feedback** from stakeholders which further drives our **business strategy and policies** together with **sustainable development**, in addition to exploring opportunities and continuing to build relationships with the communities where we live and work through trust, mutual understanding and respect.

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.

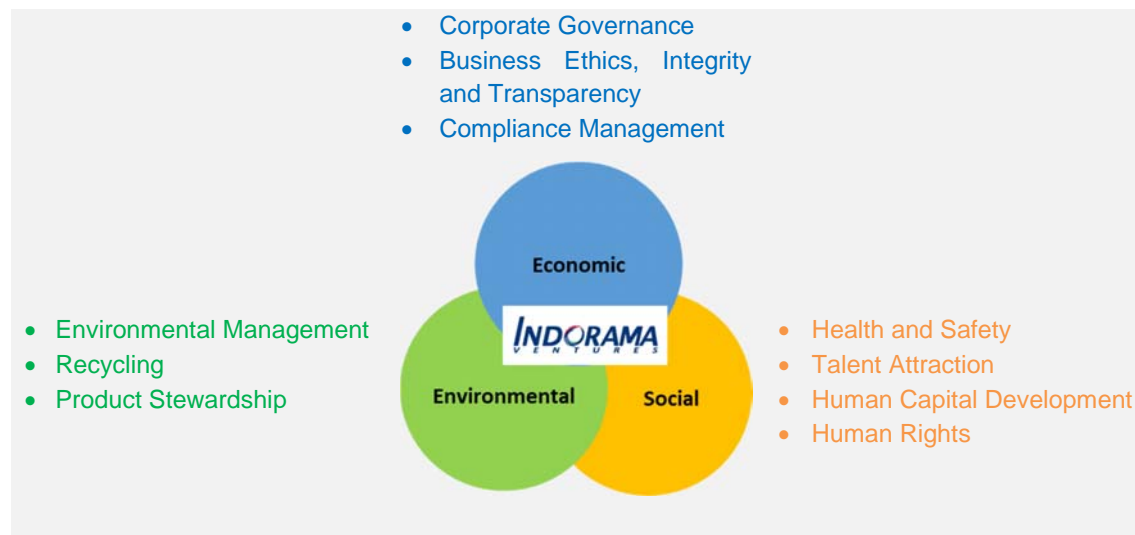
Content and data disclosed in our sustainability report is **independently verified** by external assurance auditors. Indicators were selected for assurance based on the material topics from **materiality assessments** and the concerns that are **most significant to the sustainability performance** of the business, as well as **key risks identified** by IVL Group.

Key Focus Areas

The focus areas and the strategic measures we adopt in terms of sustainability are based on a **Materiality Assessment**. 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 perspectives.

In 2018, the materiality assessment 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, our stakeholders and IVL consider the following to be the top economic, environmental and social issues:



Further details on the materiality assessment process, key material issues and performance on all material issues are provided in the 2018 Sustainability Report.

Throughout 2018, we continued to deliver great products and services for our customers, develop new and exciting products, grow the business, and increase our operational efficiency. Key highlights of our solid progress include:

- Revisiting and reviewing **operational eco-efficiency target setting** plans in accordance with sustainability mega-trends and organic business growth.
- Encouraging and developing **initiatives on climate strategy and environmental protections** in-line with the operational eco-efficiency targets.
- Studying the potential for increasing **renewable energy use** at all of IVL's operating sites.

- Continuing to promote the **efficient and increased use of renewable resources** through greater reuse and recycling to support the **circular economy**.
- Introducing **internal carbon pricing** to IVL management to encourage awareness and consider **mitigation measures** in future business plans.
- Developing our **Green Product Classification** approach and methodology to be applied with our existing **product portfolio throughout the value chain**.
- Continually **reducing our environmental footprint** by improving the environmental performance of our production processes including targets for energy and water use, greenhouse gas (GHG) emissions and waste reduction.
- Encouraging **environmental awareness and an understanding of the risks** related to **climate change** and the need for **environmental protections**, including greenhouse gas accounting, life cycle assessments, renewable energy sourcing, a carbon tax, water scarcity and conservation and plastics waste.
- Progressively obtaining and maintaining **Environmental Management** based on ISO 14001 certification, **Energy Management** standards based on ISO 50001, **Occupational Health and Safety Management Systems** based on ISO 45001/OHSAS 18001 and **international quality management standards**, e.g. ISO 9001.
- Implementing a **Process Safety** approach and **reporting scheme** at all IVL operating sites.
- Ensuring best practices through **human rights assessments** in every context **throughout the value chain including all vulnerable groups**.
- Continuing to improve the **customer satisfaction survey** through broader and more open communications channels that result in improved customer feedback.
- Developing **Diversity and Inclusion Programs** to support an exceptional corporate culture that **respects diversity** and fosters cooperation and synergies.

Details of our sustainability initiatives, performance and metrics are provided in our 2018 Sustainability Report, which is available at <http://www.indoramaventures.com/en/downloads/sustainability-report>

Indorama Ventures encourages **independent external sustainability assessments and evaluations** of our sustainability performance through participation in initiatives such as the Dow Jones Sustainability Indices (DJSI), CDP, FTSE4Good, and EcoVadis, among others.

Our **achievements and recognitions** speak to the focused efforts of management, together with the outstanding commitment and efforts of our employees. It is important that we build on these successes and continue to aspire be “**a world-class chemical company making great products for society.**” The following are some of our key sustainability achievements:



Indorama Ventures was **recognized in RobecoSAM's Sustainability Yearbook 2019 and was listed in the Dow Jones Sustainability Indices (DJSI).**

We are **ranked among the top 10% of Global Chemical Companies and one of only two companies in the DJSI Emerging Markets Chemical Industry.**

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



Indorama Ventures **achieved a B Rating in CDP's Climate Change Assessment and B- (B Minus) in CDP's Supply Chain Assessment.**

CDP's international platform measures, discloses, manages and shares vital environmental information in order to prevent climate change, value natural resources, and encourage a sustainable supply chain.



Indorama Ventures PCL **remains a constituent of the FTSE4Good Index Series following the June 2018 index review.**

We received a **Best ESG score** and stand at the **top of the group with a 100% percentile rank.**

The index is designed to measure the performance of companies demonstrating strong and excellent Environmental, Social and Governance (ESG) practices based on publicly available data.



In 2018, Indorama Ventures **achieved Gold Recognition, ranking in the top 3% of companies** rated by EcoVadis in the **manufacture of basic chemicals.**

The EcoVadis CSR Rating assesses global corporate sustainable procurements practices in four themes: Environment, Labor and Human Rights, Ethics and Sustainable Procurement.



We **achieved the highest Bloomberg ESG disclosure score, and were ranked number one** among companies on the Stock Exchange of Thailand (SET50).

Bloomberg evaluates companies on an annual basis, collecting publicly disclosed ESG information disclosed by companies as well as through direct company contact.



Indorama Ventures was **graded BB for the ESG rating in 2018.**

MSCI is an independent provider of research-based indices and analytics. The research is conducted in order to facilitate the world's leading institutional investors in managing their portfolios.



Indorama Ventures achieved an overall ESG score of 68.

Sustainalytics ESG Ratings measure how well companies proactively manage the environmental, social and governance issues that are the most material to their business.



Indorama Ventures was presented with the **SET Sustainability Awards 2018** in the Outstanding category, received the **Thailand Sustainability Investment (THSI) Award** for the fourth consecutive year, and also received the **Best Sustainability Report Award** from the Stock Exchange of Thailand (SET).

IVL's external sustainability ratings are available on our website at:

<http://www.indoramaventures.com/en/sustainability/external-ratings>

Integration of the Sustainable Development Goals (SDGs) into IVL's business operations

We will continue to create value and improve our performance for our stakeholders in economic, environmental and social dimensions, and link the United Nations Sustainable Development Goals (SDGs) with our own business imperatives. We have prioritized and are acting in support of the SDGs and remain committed to bridging existing global environmental gaps. We also aligned our material topics with the SDGs, and will use relevant corporate information to prioritize our contributions to sustainable development. Considering the nature of our business, IVL is committed to playing a positive role by working to achieve the following SDGs:



- Environmental Stewardship
- Innovation Management
- Product Stewardship
- Recycling Business
- Light-weighting and Low Carbon Products
- Health and Safety



- Recycling Education
- Science Technology Engineering Mathematics (STEM) Education



- Diversity and Inclusion
- Equality
- Women's Workforce Participation



- Product Stewardship
- Innovation Management
- Water Management



- Renewable Energy
- Energy Management
- Climate Strategy



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



- Product Stewardship
- Innovation Management
- Environmental Stewardship
- Recycling Business
- Light-weighting and Low Carbon Products
- Health and Safety



- Climate Strategy
- Product Stewardship
- Recycling Business
- Circular Economy
- Light-weighting and Low Carbon Products
- Innovation Management



- Recycling Business
- Climate Strategy
- Water Management
- Product Stewardship
- Innovation Management



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

Corporate Social Responsibility at IVL

We strongly believe in the need to balance the interests of our business with those of society and the environment. Corporate social responsibility (CSR) is a key strategy in demonstrating the integrity of our business. Our actions demonstrate the positive effect we have as a company on society and the environment which in turn, is vital to achieving sustainability.

Our mission, “to be a world-class chemical company making great products for society,” can be achieved by integrating our business goals and CSR activities and focusing on our group-wide corporate citizenship and philanthropic contributions, which focus on three major priorities:

1. Economic growth – improving the quality of life of the communities where we operate.
2. Innovation – creating new products for 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.

Our CSR activities are also fully committed to the UN Sustainable Development Goals (SDGs), specifically SDG Goal 3 - Good Health and Well-being, SDG 4 - Quality Education and SDG 8 - Decent Work and Economic Growth. Our CSR efforts focus on further supporting our three major priorities by incorporating these SDGs into our CSR activities by concentrating on:

i. Community health and well-being

We believe in strengthening communities by ensuring they have access to health awareness programs and community care facilities so they can remain vibrant and self-sustaining. This year, IVL helped through a number of initiatives, including:

- Arranging health education training courses for communities focused on adopting practices geared towards maintaining a healthy lifestyle and improved well-being.
- Providing a mobile medical clinic to communities for free health checks, including tests for breast and cervical cancer, dental check-ups, and vaccines for pets.
- Holding several staff fundraising campaigns in support of children, patients with breast cancer, hospital equipment purchases, and support for the underprivileged.
- Supporting foundations such as the Red Cross, Decatur Morgan Hospital Foundation, Operation Smile Thailand and the United Way.

ii. Education for a better future

We recognize the growing demand for high-level skills, and support programs and instruction in Science, Technology, Engineering and Mathematics (STEM). A solid education provides better career opportunities and an improved quality of life. To help reduce the skills gap, we:

- Provided internships, training, career, and technical vocation programs, and university and college scholarships.
- Collaboration with schools, universities, customers to provide and support education programs.
- Donated funds for various new equipment and resource needs for schools, colleges, and universities.

iii. Supporting a sustainable ecosystem

We encourage increased recycling, engage in numerous campaigns to promote its value and support circular economy. By focusing on schools, we hope to encourage awareness among children and youth, and demonstrate how PET can be recycled and recycled plastic waste can be made into a variety of useful products, which can protect the environment, reduce energy use, and create jobs. Our activities included:

- A flagship Recycling Education program in Thailand and the United States.
- Sponsoring Keep America Beautiful (KAB), a national non-profit organization that helps communities end littering and improve recycling through education.
- Partnering with schools in the US, Mexico and Thailand to encourage inventive competitions to boost recycling.

To protect and conserve the environment we support Wetlands Edge Environmental center, sponsor the Asheboro Zoo to contribute the zoological society, release turtles and snappers to increase marine population.

More details on CSR performance and activities are provide in the 2018 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. 2/2019 held on February 26, 2019, 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 2018 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 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 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 not to 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, green field 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 has rolled out the Control Self – Assessment Questionnaires (CSAs) for varied business processes to IVL and its subsidiaries and affiliates. The CSAs for Payment & Collection, Procurement, CAPEX & Fixed Assets Management, Sales & Marketing and Inventory Management business processes have been rolled-out to all the sites for their control self-assessment. In addition, the CSAs for Finance & Accounting, Human Resource & Payroll and Operations and Waste Management processes will be rolled-out to all the units during the current year. 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. Narayanaswamy Subramanian heads the Internal Audit Department at IVL.

2. Head of Corporate Compliance

The Company has appointed the Company Secretary, Mr. Souvik Roy Chowdhury, as the Head of Corporate Compliance in order to review and evaluate the various statutory and corporate 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 2018

Connected Party & Relationship	Type of Transaction	(Amount in MB)	
		2017	2018
PT. Indo-Rama Synthetics Tbk., Indonesia (PTIRS) <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). 	Sale of raw materials/ products/ services/ utilities Purchase of raw materials/ products/ services/ utilities	1,699.70 1,628.35	1,778.54 2,133.94
PT. Indorama Petrochemicals, Indonesia (PTIP)* Jointly controlled company – IVL and PT. Indo-Rama Synthetics Tbk. (PTIRS) indirectly and directly hold 50 of the shares of PTIP, respectively.	Sale of raw materials/ products/ rendering of services Purchase of raw materials/ products/ services	4.67 7,320.57	522.13 9,234.25
Indorama Eleme Petrochemicals Ltd., Nigeria (IEPL) <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. 	Purchase of utilities/ services	88.67	64.05

Connected Party & Relationship	Type of Transaction	(Amount in MB)	
		2017	2018
<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)	7.70	8.20
<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	0.93
<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	1.06
<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)	184.47	165.51
<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)	94.84	80.81
<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	0.00	4.19

Connected Party & Relationship	Type of Transaction	(Amount in MB)	
		2017	2018
<p>Yayasan Pendidikan Indorama, Indonesia (YP)</p> <p>The sole trustee of YP is Mr. Sri Prakash Lohia and Mr. Amit Lohia is Chairman of the Advisory Board of YP.</p>	Service Expense (Job work)	17.42	14.91
<p>PT. Tigadya Minergy</p> <ul style="list-style-type: none"> The majority shareholding in PT. Tigadya Minergy is ultimately controlled and held by PT. Indo-Rama Synthetics Tbk., Indonesia (PTIRS) through its subsidiary PT Unggul Jaya Indonesia for the benefit of Mr. SP Lohia and his immediate family; Mr. SP Lohia is the President Commissioner and Mr. Amit Lohia is a Vice President Commissioner of PTIRS. 	Purchase of coal	0.00	102.80

** IVL through its indirect subsidiary acquired the 50% stake of PTIP from PTIRS in 2018. The first tranche of 24% was acquired in May 2018 (approx. THB 1,752 Million) and the balance 26% in November 2018 (approx. THB 1,978 Million). The November transaction closed in early 2019. Both the transactions were approved by the Audit Committee and Board of Directors and reported to the SET in the prescribed format. From 2019, PTIP will no longer be a connected party.*

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.