

LIVE A
CIRCULAR
LIFESTYLE



**GOOD
CORPORATE
GOVERNANCE**

GOOD CORPORATE GOVERNANCE

CORPORATE GOVERNANCE POLICY

GC, under the supervision of the Board of Directors, is committed to maintaining its corporate governance standard in conformity with international standards since its establishment in 2011. To this end, Corporate Governance Policy has been established as part of the Business Operations Policy. The Corporate Governance Committee has been assigned to oversee matters and ensure that GC's corporate governance practices meet international standards and align with the Company's business strategies and directions as well as any other requirements, laws and guidelines. Additionally, the Corporate Governance Committee annually monitors and assesses the effectiveness of the Company's adherence to good corporate governance principles at each Sub-Committee meetings. Its assessment results are regularly reported to the Board of Directors and later disclosed to the shareholders in the annual report.

CORPORATE GOVERNANCE AND BUSINESS CODE OF CONDUCT

The Board of Directors approved the implementation of 'Corporate Governance and Business Code of Conduct Handbook' comprising of two parts: the first is good corporate governance structure and principles which align with corporate governance policy; and the second is business code of conduct consisting of principles and best practices for ethical business operations, such as observance of laws, rules and regulations, anti-corruption measures, responsibility towards stakeholders, human rights, consumer rights and fair treatment of workers. This handbook had been distributed to directors, executives and all employees. They were later to sign an acknowledgment of the handbook and were bound to uphold good corporate governance policy and the handbook as guidelines when carrying out their duties. In this year, the Board of Directors' Meeting No. 1/2019 held on January 21, 2019 considered approving the 2019 revision of Corporate Governance and Business Code of Conduct Handbook to ensure that its contents are in accordance with national and international standards.

At the same time, the Board of Directors and executives serve as role models to promote a culture of good corporate governance. They indeed provide mechanisms to oversee, monitor, assess and review employees' effective and complete adherence to the Business Code of Conduct. Additionally, the Business Code of Conduct is distributed to joint-ventures companies and business partners and is published at www.pttgcgroup.com on the topic of corporate governance in order that shareholders, investors, regulatory authorities, stakeholders and individuals are able to access the handbook conveniently.

CORPORATE COMPLIANCE

Acknowledging that compliance with laws or even more stringent standards promotes sustainable development, GC places importance on operating its businesses in full compliance with relevant regulatory and legal requirements at home and overseas. In 2019, the Company adopted the ISO 19600 (Compliance Management Systems-Guidelines: 2014 (E)) internal standard as its operational framework in order to ensure the organization culture of integrity and compliance. Its organizational culture is comprised of six stages: (1) Establish; (2) Develop; (3) Implement; (4) Evaluate; (5) Maintain; and (6) Improve. At the operational level, the first line of defense has prepared and disseminated information on the corporate compliance comprising of three processes, namely (1) Assessment - to identify major non-compliance risks; (2) Prevention - to define measures for compliance control and minimize non-compliance risk; and (3) Correction and Improvement - to appropriately manage matters that deviate from the standard and to regularly review and improve compliance control measures.

Furthermore, GC appointed the committee to strengthen the integration of Governance, Risk Management & Internal Control and Compliance through GRC Approach. This will lead to organizational integrated system of policies and practices and information sharing throughout the organization which improve the company's overall efficiency.



DELIVERY CEREMONY OF CORPORATE GOVERNANCE AND BUSINESS CODE OF CONDUCT HANDBOOK, 2019 REVISION, TO THE BOARD OF DIRECTORS AND GROUP MANAGEMENT COMMITTEE

For knowledge dissemination in the organization, GC implemented training program, namely Compliance Mandatory for Managers, in order that executives are able to operate its business with integrity and in accordance with principles of fiduciary duty and to ensure that its business operations are in line with any relevant regulations.

GC also organized training program to provide employees current and necessary information, such as (1) Confidential Information and Data Classification (2) Fraud Risk Management (3) Comply with Compliance and Code of Conduct (4) Complaint Management for Investigation Committee.

For compliance monitoring, GC applies compliance assessment checklist to GC and its subsidiaries, requesting them to identify non-conformance or non-compliance issues in order that GC can create appropriate compliance control measures.

In addition, Management Committee has managed and monitored compliance oversight process throughout the Company as well as reporting the progress to the Board of Directors for their acknowledgement and comments. This can ensure that GC's corporate compliance process is more efficient and in accordance with international standards.

DISSEMINATION OF GOOD CORPORATE GOVERNANCE PRINCIPLES

GC has communicated corporate governance principle, namely C R E A T E, comprising of six elements : Creation of long-term value for the organization; Responsibility of discharging its duties; Equitable treatment of all stakeholders; Accountability for decision along with availability of explanation to support the decision; Transparency in operations which

allows for an audit, including accurate, complete and timely information disclosure via appropriate channels; and Ethics in business conduct, to its employees for their acknowledgement since the first day of work. GC also continuously underlines and instills corporate governance principle into its employees through training programs and other activities. In 2019, to illustrate this, GC created E-Learning program on intranet in order that executives and employees can sign an acknowledgment of 2019 revision of CG handbook and take an assessment test, and organized onsite communication, namely Hook Walk, to communicate corporate governance practices and business code of conduct to its employees of each business unit, including those working in GC's factories. GC further organized an event, called GC Group CG Day 2019: Transparency, Zero Corruption, to raise awareness of executives and employees as well as encouraging them to be part of prevention and fight against any forms of corruption. In addition to above-mentioned activities, GC implemented the board performance assessment, employees' acknowledgment assessment on adherence to good corporate governance principle.



GC GROUP CG DAY 2019 : TRANSPARENCY AND ZERO CORRUPTION

Additionally, GC's corporate governance practices are assessed by regulatory authorities, such as the Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), Thai Institute of Directors Association (IOD) and Thai Investors Association (TIA) in order to ensure the Company's adherence to Corporate Governance Code as well as maintaining its corporate practices to be in line with international standards. Furthermore, executives are responsible for communicating "Hook Talk" on topic areas of good corporate governance and compliance principles to its employees through internal meetings of each business unit. Hook Talk is aimed at noticing its employees to behave ethically and strictly perform their duties in accordance with good corporate governance principles, the Company's regulations, laws and any other rules.

COMPLIANCE WITH INTERNATIONAL STANDARDS OF GOOD CORPORATE GOVERNANCE

The Board of Directors has continuously placed importance on adherence to good corporate governance principles of international standards, including ASEAN CG Scorecard and Dow Jones Sustainability Indices (DJSI), and indeed encouraged the company to apply Good Corporate Governance principles, comprising of five core values, to its business operations. In this year, GC has complied with the said principles as per details given below.

1. SHAREHOLDER RIGHTS

Placing much emphasis on the protection of shareholder rights, the Board of Director has included shareholder rights protection principles in the handbook. The Board also oversees the company's business operation to be in compliance with the said principles.

1. THE PROVISION OF IMPORTANT AND PERTINENT INFORMATION TO SHAREHOLDERS

GC afforded shareholders clear, up-to-date information of importance and pertinence to its business operations. To this end, it disclosed information deemed necessary, though not legally required, on its website and via SET's portal.

2. THE 2019 ANNUAL GENERAL MEETING OF SHAREHOLDERS

GC held Annual General Meeting of Shareholders for the year 2019 (AGM) at 14.00 hours on Friday, April 5, 2019, at the Bangkok Convention Center on the 5th floor of Central Plaza Lardprao, 1695 Phahon Yothin Road, Chatuchak Sub-district, Chatuchak District, Bangkok. GC also treated and facilitated

convenience among its attending shareholders as per details given below.

Prior to the Meeting

- Minority shareholders, defined as any single shareholder or a group of shareholders holding at least 0.1% of all shares with eligible voting rights, were allowed to, via SET's portal and the Company's website, propose agenda items and nominate qualified candidates to be elected as Directors, with clear criteria and steps specified, from September 17 to December 31, 2018.
- Nominated candidates and proposed agenda items would be considered under the established criteria. The Nomination and Remuneration Committee would consider whether the proposed candidates possessed desired qualifications. Meanwhile, the Corporate Governance Committee would review and select proposed agenda items and then submit it to the Board of Directors for their final approval. The Board will later inform the shareholders of its decision and reasons to the AGM. For the year 2019, there were no shareholders proposing any agenda items or candidates nominated to be director to the Company.
- According to resolutions of the Board of Directors' meeting held on February 18, 2019, GC instantly notified SET after the meeting to disseminate the news to its shareholders that the 2019 AGM will be held on April 5, 2019, and the record date was set for March 6, 2019, to afford shareholders the rights to attend 2019 AGM and receive dividend payment. This information was also published on GC's website.
- GC published the invitation letter to attend AGM on GC's website in both Thai and English version, on March 1, 2019, more than 30 days prior to the meeting. This invitation letter was comprised of agenda items with the Board's opinions on each agenda as well as the attachments. In addition, GC sent the invitation letter containing barcode for registration form for AGM as well as QR Code for downloading digital version of Annual Report 2018 and Integrated Sustainability Report 2018.
- If a shareholder would like to assign a proxy to attend and vote at the AGM on their behalf or if they would be unable to attend the AGM in person, GC provided them with a proxy statement that allowed them to specify their "for", "against" or "abstain" vote for each agenda item. Independent Directors' names and biographies were also included for their consideration as their proxy. Details of the proxy assignment process and documents required to facilitate the procedure were enclosed with the invitation letter. All of these was available in Thai and English.

- The invitation letter was mailed to its shareholders on March 14, 2019, over 21 days ahead of the meeting. A map of the meeting venue and location and a phone number for inquiries were also included in the invitation letter.

On the Day of the Meeting

- GC held the 2019 Annual General Meeting of Shareholders (AGM) in a large conference hall that could accommodate a sizeable number of shareholders and allocated a specific time slot for shareholders to ask questions and express their opinions to ensure smooth and efficient meeting organization. GC also arranged an exhibition, with presenters, in front of the conference hall to educate attending shareholders regarding the various aspects of our business and performance and provided sufficient food and refreshments for participants.
- GC used barcode scanning in our registration process of AGM for convenience and efficiency. GC also assigned staff to verify shareholders' documents ahead of time. The said registration began more than two hours before the meeting started.
- All 15 Directors attended the 2019 AGM. Top management, auditors, legal advisors, lawyers, shareholders' right protection volunteer and shareholders volunteering to witness the vote counting were also present. In this year, GC received an exemption of Thai investors association's presence to evaluate the quality of the 2019 AGM as GC, being one of 68 listed companies, received AGM assessment score of 100 for the second consecutive year (2017-2018), after its AGM Quality Assessment had been revised in 2017.
- Before the meeting began, shareholders were explicitly informed of the voting and vote-counting procedure for each agenda item. "For", "against" or "abstain" voting ballots for each agenda item were provided to shareholders and proxies.
- At the meeting, the Chairman proceeded with all agenda items in order and afforded all shareholders equal rights to express their opinions. Sub-committee chairpersons, Chief Executive Officer and President, and any relevant top management were assigned to answer shareholders' questions. All expressed questions and opinions were fully recorded in the minutes of the AGM.

GC's 2019 AGM was ranked **"Outstanding"** with a perfect score of 100 for the eight consecutive year.

After the Meeting

- GC disclosed its resolutions of the 2019 AGM through the SET's portal once the meeting was finished. The disclosed resolutions included a complete set of the "for", "against", "abstain" and invalid ballots of each agenda item. The minutes of the AGM were prepared in Thai and English specifying the names of Directors and Executives attending the meeting, as well as other relevant attendees, key explanations, a list of questions and answers and a summary of opinions expressed. The minutes were submitted to SET and any other organizational authorities within 14 days after the meeting. They were also made available on www.pttgcgroup.com for shareholders' inspection.

GC's 2019 AGM was ranked "Outstanding" with a perfect score of 100 for the eight consecutive year (2012 to 2019). It also received 86% for its AGM assessment on Satisfaction of Shareholder and "Outstanding" on CG implementation.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Board of Directors ensures equitable treatment of all shareholders, whether majority or minority, Thai or foreign. GC's equitable treatment of shareholders is summarized as follows:



ANNUAL GENERAL MEETING OF SHAREHOLDERS 2019

1. Valuing all shareholders, the Company adhered to the measures put in place to fairly and equitably safeguard the fundamental rights of every shareholder. These measures were aimed at bringing about investors' trust and confidence in the Company and ensuring continuous suitable returns.
2. Minority shareholders were afforded the opportunity to express their opinion, provide suggestions and submit complaints to the Board, Chairman of the Corporate Governance Committee (an Independent Director) and the Company Secretary via the GC website on Corporate Governance or email at cg@pttgcgroup.com. The Corporate Governance Committee would review the complaints submitted and take appropriate action. Institutional investors could request information or express their opinions via email at ir@pttgcgroup.com under the care of Investor Relations.
3. GC fostered good relations with its shareholders through an activity that would benefit society and the environment, namely Company Visit 2019, which took place in Rayong province. With a quota of 500 participants, GC afforded both majority and minority shareholders equal opportunities to participate in the activity. There were two groups of 250 participants each visiting GC Group's plants and taking part in a social outreach activity on November 11 and 12, 2019.

3. ROLE OF STAKEHOLDER

GC places importance on the rights of all stakeholders. Thus, principles in relation to the rights and impacts on stakeholders were compiled, and written good practice guidelines were formulated based on these principles and published on GC's website. Stakeholders were also provided with channels to express their opinions, suggestions and recommendations.

Stakeholder-related policies and guidelines, as well as actions in 2019, are summarized below:

SHAREHOLDERS

GC respects the fundamental rights of shareholders and treats every shareholder equitably for their utmost satisfaction. These rights include the right to participate

in the AGM, the rights to vote, to propose meeting agenda items and to nominate candidates for directors. To foster good relations with shareholders, GC organized Company Visit, heeded their suggestions and provided them with contact channels, via www.pttgcgroup.com, email addresses at ir@pttgcgroup.com and cg@pttgcgroup.com, as disclosed under Shareholder Rights and Equitable Treatment of Shareholders. In addition, the Company took part in the quarterly Opportunity Day, held in collaboration with SET to provide investors with access to information sources and an opportunity to learn more about listed companies.

Furthermore, GC continued for the fourth consecutive year with the Giving Back to Society campaign at the 2019 AGM, where it donated Baht 100 per shareholder who registered for the meeting (whether in person or through a proxy) instead of giving tokens to shareholders (refraining from distributing tokens is SEC's directive). The donated fund totaling Baht 553,000 was used to purchase medical equipment for Wang Chan Hospital in Rayong Province.

As for treatment of bondholders, the Company strictly complied with applicable laws and notifications of SEC, GC's policies, objectives and shareholders' meeting resolutions. Activities were also regularly conducted to foster good relations with bondholders, much like those organized for shareholders, such as national and international roadshows and Company Visit.

CUSTOMERS

To achieve customer satisfaction, GC continued to maintain and improve the quality of its products and



GC COMPANY VISIT 2019

services; ensured that the its management was fair, appropriate, transparent and accountable; provided good quality and reasonably priced products and services to its customers; maintained a good and sustainable relationship with its customers through a diverse range of activities, such as coordination meetings with customers to provide them with information on products and services as well as to learn more about their needs, which would enable GC to cater its products to their demand; conducted quality checks of its products regularly; and adopted a customer relationship management (CRM) system and a whistleblower form on the Company website to facilitate the submission of complaints about GC's products and services. Furthermore, several operation-enhancing standards were adopted as tools to manage and assess the efficiency of the operations. These standards included a standard product sales and purchase agreement, implementation of a tender software system, Internal Control Self-Assessment, operation monitoring policy for Marketing, Commercial and Supply, which had been implemented in conformity to the Corporate Governance and Business Code of Conduct Handbook and the Corporate Compliance Policy. These standards serve as guidelines to which all employees strictly adhere.

and Business Code of Conduct Handbook. An e-procurement system was implemented and developed for more transparent, more simplified and less costly procurement processes. The Approved Vendor List (AVL) was also enhanced and supplier audit and assessments were conducted annually. In addition, GC continued to conduct Supplier Relationship Management (SRM) activities, namely the Suppliers Conference, to meet its suppliers and exchange ideas with them, as well as to communicate its policies to them. GC encouraged its suppliers to join the Private Sector Collective Action against Corruption (CAC). It also continued partnering with suppliers to lower the costs of procurement and enhance suppliers' competitiveness.

BUSINESS COMPETITORS

To ensure that treatment of business competitors is compatible with international standards and within the scope of the laws on trade competition, GC established its Business Code of Conduct on Treatment of Business Competitors in conformity to those principles to ensure fair and transparent competition by neither seeking confidential information of business competitors through fraudulent or inappropriate means nor tarnishing their reputation with slanders.

CREDITORS

Treating its creditors fairly and responsibly, GC strictly adheres to best practices while complying with contractual terms and conditions, terms of guarantee, capital management and debt repayment terms, due dates and financial encumbrances. A Payment Tracking System (PTS) was set up to facilitate creditors to track and check the status of payment. The system provided information on the due date and payment in process. The Company in collaboration with financial institutes implemented an e-mail Advice from an Outsourced Payment System to inform its creditors in advance of the payment in process. An additional system was also provided to support the issuance of invoice, tax invoice, and receipt via e-system. GC did not conceal any information or facts that could cause damage to its creditors. If the Company foresaw that it might not be able to comply with any obligation of the contract, it would notify the creditor in advance to mutually agree on a corrective measure. The Company treated all creditors equally, whether financial institutions or bondholders, with the same standard contractual



GC SUPPLIER CONFERENCE 2019
AT THE OFFICE OF RAYONG PROVINCE

SUPPLIERS

Believing in a business model of mutual growth and sustainability, GC operates its businesses with fairness, transparency, accountability and lawfulness. It adheres to the Supplier Code of Conduct and Procurement Code of Conduct, which are in alignment with the Corporate Governance

terms and conditions. The major conditions of loan agreements are in the same standard and all the terms of these agreement are strictly complied with. Principal repayment and interest payment were made on time, and the use of a given loan agreed with the objectives stated in the agreement with the creditors, as well as compliance with the requirements on the rights and responsibilities of debenture issuers and conditions under the loan agreements. Furthermore, GC held Banker Feedback sessions to learn more about its financial institutions' opinions of its processes, which also enhanced their confidence in GC and its compliance with their regulations. Feedback from the sessions helped improve GC's work procedures concerning these banks.

PUBLIC SECTOR

Recognizing the significance of the public sector, which is one of its stakeholders, the Company established a policy on the treatment of the public sector in the countries where it invested in order to avoid adverse consequence of any action. This policy was included in the Corporate Governance and Business Code of Conduct Handbook. GC is committed to complying with laws and administrative rules and regulation in obtaining permits, benefits and concessions according to applicable laws, rules and regulations as well as established procedures, processes and practices. Contacts and communication with the public sector, including local authorities and state enterprises, must be transparent with complete and accurate information disclosed under governmental requirements. To this end, GC adopted

the Permits & Privilege Licenses online database in the planning and monitoring of the operations' progress, ensuring compliance with governmental rules, regulations and conditions. Moreover, to enhance good relations with relevant public agencies, GC held activities in an open and appropriate manner and under the law, such as anti-corruption activities, to improve understanding, enhance commitment in performing transparent work and against corruption, and support meeting venues for the exchange of knowledge and update on new laws, among others.

EMPLOYEES

Committed to employees' development as a way to bolster the organization, GC trained its employees and ensured their occupational health and safety. GC paid attention equally to employee opinions and suggestions regardless of their position in the corporate hierarchy. Its human resource management plan had been aligned with business needs, preparing the workforce to support the expansion and partnerships at home and overseas. Talent and Succession Management had been adopted as a framework for employee management and development which is in line with employees' potential, abilities and performance. Employees were suitably compensated since the remuneration policy took into account GC's short-term and long-term operating results. Details of GC's human resource management and performance are disclosed under the topic of "People Management and Development Policy".

In addition, GC implemented policy for employing people with disabilities, and created activities to enhance their quality of life, such as collaborative engagement with the social innovation foundation to promote jobs for disabled people in order that they can work as freelancers.

CIRCULAR LIVING SYMPOSIUMS 2019 : UPCYCLING OUR PLANET AT THE ATHENEE HOTEL, BANGKOK

Ways to reduce Carbon Footprint	Kg. CO ₂ e.
- Reduce the use of paper and plastic	8,070
- No foam materials	3,257
- Use recycled materials	13,814
- Reduce Food Waste	1,770

CARE THE BEAR
Change the Climate Change
by ECO-EVENT

SOCIETY, COMMUNITIES AND THE ENVIRONMENT

GC conducted its business responsibly with due regard for society, communities and the environment and took into account issues such as safety, quality of life and conservation of natural resources. As part of its Proactive Environmental Management (PEM), GC has revised Quality, Security, Occupational Health, Environment and Business Continuity policy to be in line with Climate Strategy practices of Dow Jones Sustainability Indices or DJSI. GC also promoted energy efficiency and placed importance on the quality of life in local communities and society by implementing CSR Program Portfolio at three



THE BOARD OF DIRECTORS AND EXECUTIVES DONATED MEDICAL EQUIPMENT TO WANG CHAN HOSPITAL IN RAYONG PROVINCE

levels: local, provincial and national. This program portfolio is aimed at improving the local communities at all three dimensions of sustainability (Economic, Social and Environment). Employee volunteer has been indeed an important driving force behind the said CSR Programs Portfolio. Details of each CSR program were communicated to the public to enhance GC's image on social responsibility. The Company has continued, from 2017, to cooperate with all sectors on resource usage efficiency via various implementations throughout the value chain, under the "Circular Living" concept which is in line with GC's "Better Chemistry for Better Living" mission, aiming to spearhead society in the new-trend use of plastics with responsibility. GC also adopted the world-class sustainability reporting framework known as Integrated Sustainability Report (ISR), which covers economic, social and environmental topics, as well as other issues that may significantly affect GC. Further details can be found in "Integrated Sustainability Report 2019".

4. DISCLOSURE OF INFORMATION AND TRANSPARENCY

GC is committed to transparent and timely disclosure of accurate and complete information, financial and non-financial, to stakeholders in conformity to applicable laws, rules and regulations via the SET Link and the Company's website at www.pttgcgroup.com. Its Investors Relations (IR) and Corporate Secretary (CS) were in charge of information disclosure and addressing inquiries.

1. DISCLOSURE OF MATERIAL INFORMATION IN THE ANNUAL REPORT AND IN FORM 56-1

- **FINANCIAL INFORMATION:** GC's financial statements are audited by a professional auditor for the accuracy of their material information and conformance to financial auditing standards.

Each set of financial statements has been approved by the Audit Committee and the Board of Directors before their disclosure to shareholders and the public. The Board of Directors' statement on the accountability of its financial reports is disclosed alongside the auditor's report in the annual report, which includes connected transactions, essential financial information, management's discussion and analysis, and significant financial ratios.

- **NON-FINANCIAL INFORMATION:** Non-financial information is disclosed, such as the operating structure of GC Group, which includes the majority shareholder's shareholding structure, the ratios of the number of shares held by institutional investors and of free-float shares, reports of the shares held and changes at the year-end as filed by Directors and Executives of the Company and related parties, reports on adherence to good corporate governance principles, and Integrated Sustainability Report.

2. ESSENTIAL INFORMATION IN THAI AND ENGLISH WERE DISCLOSED VIA THE FOLLOWING CHANNELS:

- The SET Link;
- GC's regularly updated website, www.pttgcgroup.com, where channels for contacting the Board and other divisions are also fully and clearly displayed;
- Information and news were disclosed to stakeholders via email, exhibitions, press release and other activities, such as newspapers and television.

INSIDER INFORMATION

An Insider Information Policy has been established and included in the Corporate Governance and Business Code of Conduct Handbook. It has also been published on the Company's website for shareholders' ready access. Directors, Executives and employees are constantly reminded of the policy and their compliance. Under the policy, they are prohibited from using material insider information, not yet published to the public, for personal gain or the benefit of others, including for trading GC's securities. The essence of the policy is summarized below:

1. Directors and Executives under SEC's definition must report to SEC changes in their holding of the Company's shares within three business days as required by SEC. Moreover, the Company sets up a policy requiring Directors and Executives to notify the Company Secretary of their intention to trade the Company's shares at least one business day before the transaction is made.

2. The Board of Directors monitors each individual's compliance with GC's Business Code of Conduct on insider information every month. The Company Secretary, who receives information via email from SEC on the changes to Directors and Executives' shareholding according to their shares trading or transfer, will report such changes to the Board. Information of changes in shareholding during the year and at the beginning and the end of each fiscal year is disclosed in the annual report.
3. GC notifies Directors and Executives in writing that they are prohibited from trading the Company's shares 30 days ahead of the disclosure of the quarterly and annual financial statements or that of other information that may affect the prices of the Company's shares. They are also prohibited from trading the Company's shares within 24 hours after the said disclosure.
4. All Executives and employees are required to comply with the Company's guidelines on Confidentiality of Information and safeguard its information, business partners' information and personal information of related parties. They are also required to adhere to the Company's measures on the safeguarding of confidential information or information that is not yet published to the public.
5. GC's Directors, Executives and employees are regularly kept up to date on regulations and policies regarding insider information to ensure their acknowledgement and compliance. The Company has clearly implemented disciplinary sanctions in case of violation of inside trading policy. No report on violation of insider information was, however, received this year.

INFORMATION TECHNOLOGY (IT) GOVERNANCE

GC oversaw the use of information technology to broaden its business opportunities and risk management development so as to achieve its objectives and goals. Its guidelines for IT monitoring have been defined as follows:

1. **Quality of Data and Information:** GC has implemented management information system to ensure that its data and information technology are correct, accurate, reliable and trustworthy. Its system has been divided into three level as follows:
 - **Governance level:** PTTGC Group's Digital and IT Steering Committee (DISC) was established to define IT direction, goals and strategies under GC Group's policies, business direction and strategy.

An Information Safety and Security Committee (ISMS Committee) was also formed to oversee the security of GC Group's essential data.

- **Management level:** Structure and approaches of management information system were implemented. ISO series were applied as an operational framework and to control users' implementation and to ensure the accuracy and availability of data. GC also used the internal and external audit systems for the review and audit of its processes to ensure that information and data are accurate, credible and reliable.
 - **Operation Level:** Information Technology Department has proceed as follows:
 - Establishing related systems, guidelines and other services for users and storing it in the intranet for users' further study. IT news was announced via email regularly.
 - Monitoring IT work progress. The results of the monitoring were used to improve the management and services provided as well as IT security. Reports on the progress were made to the DISC and ISMS Committee for further recommendations.
 - The risk of IT resources was annually assessed to ensure that they were sufficient to maintain and protect data and information. This would lead to accurate, correct, reliable, trustworthy and current data and information.
2. **Data and Information Security:** GC has developed a data and information security administration system with ISO 27001 serving as a practical scope for confidentiality, integrity, and availability of information as follows:
 - Mapping and rolling out a policy for steering and defining guidelines for the development of an information security administration system, including an information technology (IT) security policy and a computer room physical security policy.
 - Establishing procedures for alignment with and accommodation of policy development, including procedures for accessing key systems, computer room access control, and information asset risk management.
 - Developing assorted information systems for security and safeguarding against cyberthreats while accommodating the above-mentioned procedures, including systems to prevent computer virus spread (virus computer), cyber leaks of key data, and 2 Factor Authentication (2FA).

3. Availability of Data: GC implemented plans on the use of the Company's data and information to be in line with its corporate strategy, taking into account the needs of all business units in the implementation of the IT strategic plans.

4. Specifications of the Company's Hardware and Software: GC has proceeded as follows:

- IT devices must be replaced every three years. New models for replacement must have better capacities, equipped with security systems for intrusion prevention and data recovery.
- A system must be installed for 24-hour monitoring of the server. In case of computer malfunction, the system will send an alert SMS and email to IT supervisors to take promptly necessary corrective action.
- A security system must be installed to daily check the temperature and power sufficiency of the Data Center (DC) and Disaster & Recovery Site (DR Site). UPS Generator Power was installed for power reserve in case of power blackout.
- Vulnerability assessment and system hardening must be conducted annually, as well as installing and updating of anti-virus programs to the server and its clients. There must be daily, weekly and monthly data backups.
- Standard software to be used must pass the test, and an annual audit must be conducted on hardware and software management.

5. Information Availability in case of Emergency: GC has implemented a DR site for 24-hour backup of important data and information to ensure prompt

retrieval. Disaster recovery plans and recovery procedures were formulated to handle the situation in emergencies which might affect the main data system. The rehearsal of said recovery plan must also be held annually.

To implement an oversight process for digital and IT investment management, GC appointed a Digital & IT Investment Management Committee (DIM) to oversee and consider such investment under the DISC guidance. A process is in place to monitor budget disbursement and the status of the project to ensure progress in line with the schedule given to DIM, including project duration and anticipated benefit.

INVESTOR RELATIONS

Investor Relations Department serves as the center of communication, where essential information is made known to shareholders, institutional and minor investors, analysts and relevant regulatory authorities. It also oversees the quality of financial reporting processes and essential information that could affect the price of its securities, such as financial statements, performance results, earnings reports and quarterly and annual Management Discussion and Analysis (MD&A). These are all indicators of the Company's financial standing, performance and future trends. Investor Relations Department also manages the disclosure of information via the SET Community Portal to foreign and domestic investors. Furthermore, an Investor Relations Code of Conduct has been established to determine the roles and best practices that enable investor relations officers to treat all shareholders equitably.

In 2019, GC's Executives regularly met with shareholders, financial analysts, investors and employees through activities, such as analyst meeting, domestic and international road show and retail-investor events in order to present the Company's performance. Below is a summary of these events:

Investor Meetings

Investor Meetings Abroad	5 times
Domestic Investor Meeting	13 times
Meetings with Financial Analysts	4 times
Meetings at the Company	18 times
Teleconferences	14 times

Information Disclosure

Disclosure via SET Community Portal and Company Website	63 times
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Activities

Bondholders' Site Visit	1 time
Analysts/Fund Site Visit	3 times
Shareholders' Site Visit	2 times
Basic Training with Analysts	4 times

In addition, Investors or interested persons may contact the Company via the following channels for more information:

- 1) Mail : Investor Relations Department,
PTT Global Chemical Public
Company Limited
555/1 Energy Complex, Building A,
4th-18th Floors, Vibhavadi Rangsit Road,
Chatuchak, Bangkok 10900
- 2) Phone : 66 (0) 2265-8400
ext. 8172, 8665, 8364, 8637 and 8513
- 3) Email : ir@pttgcgroup.com
- 4) Fax : 66 (0) 2265-8500
- 5) Website : www.pttgcgroup.com.

In addition, the Company offers swift and convenient communication via email. The email address is displayed on the Company website under “Corporate Governance”. Shareholders, investors and the public may contact the Board of Directors or the Chairman of the Corporate Governance Committee directly. They may also contact the Company Secretary for company information at cg@pttgcgroup.com.

5. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors has established the following policy regarding its composition and the scope of its responsibilities and duties:

1. BUSINESS STRATEGIES, POLICIES AND DIRECTIONS

The Board establishes sustainable development policies, strategies and goals under the strategic framework of universal sustainable business practices to strike an economic, environmental and social balance; encourages innovation and the adoption of technology in the Company’s operations; reviews at least once a year the corporate vision and sets corporate goals under the current economic condition; approves financial and other Key Performance Indicators (KPIs) and goals and monitors their progress periodically; and supervises the performance of the management team through the President and CEO to ensure the achievement of the Company’s goals and plans.

2. CORPORATE GOVERNANCE AND BUSINESS CODE OF CONDUCT

The Board set the policies on Corporate Governance and Business Code of Conduct, and Corporate Compliance for GC Group. Directors, Executives and employees must abide by these policies to bring about efficient, standardized, ethical, transparent and accountable operations. The Board also ensures the rights of all stakeholders in justly receiving the benefits guaranteed to them by their fundamental rights to bolster confidence as well as fostering recognition among the public. The Board also treasures anti-corruption efforts. To this end, it tasks the Corporate Governance Committee with ensuring the Company’s strict compliance with such policies, as well as all applicable laws, objectives, articles of association and shareholder resolutions, overseeing equitable treatment of all shareholders and instilling an understanding of CG in the minds of our employees to facilitate compliance.

3. INTERNAL CONTROL AND INTERNAL AUDIT

To ensure that GC and GC Group adopt internal control systems of international standards and adequate risk management with appropriate risk appetites and tolerance, the Board of Directors tasked the Audit Committee and Internal Audit with regular reviews and monitoring of internal audit. They must also ensure that GC provides adequate, credible information internally and externally. In addition, they must regularly monitor and assess its compliance with applicable laws, rules and regulations, and foster confidence among executives, investors and stakeholders. Further information appears under “Internal Control”.

4. RISK MANAGEMENT

The Board oversaw GC’s management system for risks to its strategic objectives. It assigned the Risk Management Committee to devise risk management policies and frameworks; ensure the efficiency of its risk management; review risks of negative impacts on the Company’s objectives; consider substantial risks at project and organizational levels; and formulate execution plans and consistently monitor, assess and make adjustments to such plans to ensure that these risks are tolerable. Furthermore, the Risk Management Committee reported results of risk

management to the Board regularly and on an ad hoc basis, as disclosed under Risk Management and Risk Factors and Internal Control.

5. CONFLICTS OF INTEREST

The Board of Directors laid down a policy and guidelines for issues on or the possibility of a conflict of interest in the Corporate Governance and Business Code of Conduct Handbook, to which all Directors, Executives and employees must adhere to. They must also carefully follow the guidelines for connected transactions and refrain from violating the regulations of SEC and SET. Directors and Executives by SEC's definition must report to the Company their interests and those of their related parties. In addition, a connected transactions manual has been issued, and principles concerning connected transactions has been communicated to relevant units under GC and GC Group. In addition, information on these transactions was compiled in a database retrievable by relevant departments for further action so as to ensure operational compliance.

Furthermore, GC has put measures in place to prevent conflicts of interest. Directors, Executives and all employees are required to annually report potential conflicts of interest. If a conflict of interest has arisen, the person with vested interests must immediately report GC of such conflict, using the Conflict of Interest Form (for the Directors) or the form via the intranet (for executives and employees) to their immediate supervisors for acknowledgement and further action.

GC JOINED ANTI-CORRUPTION DAY 2019 AT BANGKOK INTERNATIONAL TRADE & EXHIBITION CENTRE (BITEC) UNDER THE CONCEPT 'JOINING FORCES AGAINST CORRUPTION'



ANTI-CORRUPTION

GC has maintained its commitment to transparent and accountable operations founded upon CG. Its control and monitoring mechanisms prevent and minimize the likelihood of internal fraud and corruption, direct or indirect.

GC expressed its dedication to the fight against corruption in the following manners:

IMPLEMENTATION UNDER ANTI-CORRUPTION MEASURES

GC has established an Anti-Bribery and Anti-Corruption Policy, providing in writing relevant guidelines. The policy has been publicized on the Company website. In addition, the Company was a recertified member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) in 2017, after its first certification in 2014. In 2019, GC was undergoing the recertification process to retain its membership for the third consecutive term. It conducted its annual review of all 71 items on its anti-corruption self-assessment form with supporting evidence, which was later assessed by an internal auditor. The result was reported to the Audit Committee for their acknowledgement. This process ensured that GC had comprehensive, suitable anti-corruption measures in place and that it operated its business under CAC-prescribed CG principles.



GC JOINED INTERNATIONAL ANTI-CORRUPTION DAY 2019 UNDER THE CONCEPT "ZERO TOLERANCE, THAIS WILL NOT TOLERATE CORRUPTION" AT IMPACT, MUANG THONG THANI, NONTHABURI PROVINCE

NACC INTEGRITY AWARDS

GC firmly adheres to ethical and transparent business practices while supporting the government's efforts to promote awareness, social values, virtues and morality to prevent and suppress corruption, propel Thailand's transparency towards an internationally accepted standard and promote a Corporate Governance culture. GC has entered NACC Integrity Awards, in every year continuously held on December 9, 2019 organized by the Office of the National Anti-Corruption Commission (NACC) as well as participating several other activities to express the company commitment and efforts in the fight against corruption, including the International Anti-Corruption Day (Thailand), organized by the Royal Thai Government in conjunction with the Office of the NACC, the Office of the Public Sector Anti-Corruption Commission (PACC), the Anti-Corruption Organization of Thailand and Thailand's anti-corruption network, and the National Anti-Corruption Day (Thailand) 2019, organized by the Anti-Corruption Organization of Thailand, on September 6, 2019.

ANTI-CORRUPTION TRAINING

Since 2017, GC in collaboration with Corporate Governance and Human Resources Development Department conducted an ongoing training project entitled "CG Role Model: Focus on Action". Experts from

external organizations were invited to give lectures to supervisors on the Good Corporate Governance principles and business code of conduct and the likelihood of corruption to executive employee. The campaign has raised their awareness of ethical practices, fraud risk factors and fraud risk control. It has also bolstered the strength of the Company by enabling these employees to serve as role models and encouraging them to be vigilant of corruption in order to prevent it, as well as supporting employees to monitor protect and follow the implementation of anti-corruption measures.

NO GIFT POLICY

Giving or receiving a gift, treating someone or being treated to a meal, and giving or receiving any other form of benefit may lead to corruption. Therefore, GC issued a No-Gift Policy (no gift, no treat nor any other benefits) under its Anti-Corruption Policy. Strictly enforced across GC Group, the policy mandates that any person employed by GC Group must not ask for or receive any gift, meal or form of favor from a business partner of GC Group so as to prevent any influence on his or her decision or selective treatment or conflict of interest. This policy has been communicated to all external parties involved in its business operation for their acknowledgement so as to ensure GC's standard of business conduct with integrity, transparency, honesty and lawfulness.

WHISTLEBLOWER SYSTEM

GC recognizes the important roles of all stakeholders in its Corporate Governance. Whenever they witness any violation of the Business Code of Conduct, any form of fraud or any other improper case, they may submit a report, notification or complaint directly to either the Chairman of the Corporate Governance Committee, the head of Internal Audit, the Executives or the Company Secretary or via the GC-provided complaint channels or any other channels that they trust.

**Chairman of the Corporate Governance Committee/
Head of Internal Audit /
Executives or Company Secretary**

: PTT Global Chemical Public Company Limited
555/1 Energy Complex, Building A, 18th Floor
Vibhavadi Rangsit Road, Chatuchak
Bangkok 10900

E-mail

: whistleblower@pttgcgroup.com

Website

: www.pttgcgroup.com

WHISTLEBLOWER POLICY PROCEDURE

GC formulated and announced the following Whistleblower Policy Procedure:

1. Screening the complaint: The responsible department screens the essential information

under the established policy. Even anonymous complaints will also be considered if they provide clear reasons and sufficient evidence. The result of screening is reported to the whistleblower.

- 2. Investigation:** For valid complaints, the head of Internal Audit will appoint an investigation committee under the Company's work regulations to conduct an investigation and fact-finding as well as to present mitigation measures for the resulting damage or impacts so as to ensure fairness to all parties.
- 3. Reporting:** Once the complaint has been dealt with, the whistleblower will be notified of the outcome (if contact information was provided). The Corporate Governance Committee and the Audit Committee will also be notified.

WHISTLEBLOWER AND WITNESS PROTECTION

Whistleblowers or witnesses who collaborate in the investigation will be provided with the following protection under the Whistleblower Policy:

1. A whistleblower, a stakeholder or any person who collaborates in good faith in the investigation will be protected and treated with non-retaliation.
2. Information of the whistleblower or of any persons involved will be classified as confidentiality according to GC's regulations on information classification and security of confidential documents.
3. The Company will provide suitable mitigation measures to the whistleblower or the affected party.

COMPLAINT STATISTICS

In 2019, the Company received a total of 164 complaints. They have been categorized as follows:

Voice of Customer	157 complaints
Voice from Community	3 complaints
Safety, Occupational Health and Environment	No complaint
Business Code of Conduct	4 complaints

PROGRESS OF IMPLEMENTATION UNDER ANTI-CORRUPTION MEASURES

GC prepared reports on the progress of the implementation under the anti-corruption measures throughout the year and presented them to the Corporate Governance Committee and the Audit Committee for their acknowledgement. A summary of the reports was disclosed to shareholders in the annual report.

BOARD OF DIRECTORS AND SUB-COMMITTEES

1. BOARD OF DIRECTORS

The Board of Directors is composed of experts from various fields with knowledge, skills and experiences which bring about advantages to GC. Members of the Board, known as Directors, are nominated and appointed under established criteria and shareholders' approval. The current Board of Directors consists of 15 members, nine of whom are Independent Directors. The proportion

of Independent Directors fits GC's size and business types, enabling the Board to perform its roles efficiently. Board duties and responsibilities are based on applicable laws, the Company's regulations and articles of association, shareholder resolutions and good corporate governance principles. The Board as a whole dedicates its time to perform its duties in GC's for utmost benefits of GC and the Board shareholders' best interests refrains from acting in any capacity that could constitute a conflict of interest with GC, thus instilling trust and confidence among shareholders and investors.

The structure of the Board of Directors appears under "Management Structure."

2. SUB-COMMITTEES

The Board of Directors appointed four Sub-Committees, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Risk Management Committee.

Directors serving on these sub-committees possess the expertise and knowledge required to oversee specific issues that each is tasked with according to the GC articles of association. The charter of each sub-committee prescribes its members' desired qualifications, terms in office and scope of duties and responsibilities. The names of sub-committee members, their duties and responsibilities, the number of their meetings and attendance in these meetings are detailed under "Management Structure".

Furthermore, these four sub-committees regularly report their performance to the Board of Directors at Board meetings and disclose their annual performances to shareholders in Form 56-1 and the annual report.

NOMINATION AND APPOINTMENT OF DIRECTORS, INDEPENDENT DIRECTORS AND CHIEF EXECUTIVE OFFICER

When a Director position becomes vacant or when a Director is due to retire by rotation, the Board of Directors, through the Nomination and Remuneration Committee, considers and nominates candidates with the knowledge, skills, expertise, experiences and specialization that would benefit and conform to the Company's business strategy under the Board Skill Matrix. Board diversity and independence together with potential Directors' conflicts of interest are also considered. Nomination is divided into the following categories:

DIRECTORS: GC encourages shareholders to nominate qualified individuals in addition to selecting candidates from the Directors' Pool of trusted organizations, such as the Thai Institute of Directors Association (IOD). This process ensures a wholesome composition of the Board and the best interests of the Company. A former Director may be re-nominated based on his or her performance during the past year, dedication and participation in activities and events.

INDEPENDENT DIRECTORS: GC strives to ensure its compliance with SEC's requirements regarding the suitable number of Independent Directors on the Board. As of January 31, 2020, the Board of Directors is comprised of 15 members, nine of whom are Independent Directors, which exceeds SEC's requirements. The definition and qualifications of an Independent Director appear in the Corporate Governance and Business Code of Conduct Handbook and on GC's website.

CHIEF EXECUTIVE OFFICER: If this position becomes vacant, the Nomination and Remuneration Committee will consider and nominate the member of the Board's Directors who possesses the skills, professional experiences and specialization that are in the greatest benefit of GC's business. In other words, the nominee must be knowledgeable and capable of managing a business and having relevant expertise and experience in the petrochemical, petroleum or energy sector. He or she must also demonstrate great leadership, have led an organization and be held in high esteem by relevant businesses and organizations. The possibility of a conflict of interest must also be taken into account. The nomination will be presented to the Board for consideration, approval and appointment.

ROLES OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The Chairman of the Board of Directors and the Chief Executive Officer (CEO) are not the same person. Their duties and responsibilities are distinct and separate, as described below:

The Chairman of the Board of Directors is an Independent Director whose main role is to ensure that the Board of Directors efficiently performs its duties and in compliance with the Company's good corporate governance principles and the business code of conduct, being independent from the management. In addition, the Chairman works with CEO to determine meeting agenda but refrains from participate in day-to-day business management. The Chairman of the Board of directors will be the chairman of both Board and shareholders' meetings. He is prohibited from serving on any sub-committee as explicitly prescribed in the scope of responsibilities of the Board of Directors and sub-committees so the Chairman is able to freely exercise his judgement.

The Chief Executive Officer is the highest company executive whom the board of directors choose and appointed from one of the directors Under the GC's articles of association, to serves for managing the Company under Board-assigned policies and directions under the scope of authority set forth in GC's articles of association and company regulations. The CEO also serves as secretary to the Board of Directors. Furthermore, the GC articles of association mandate that the CEO receives compensation and benefits for his role as the highest executive officer in addition to what he or she earns as a director. The CEO's

roles, duties and responsibilities, as well as his or her compensation, are published on the Company website in Thai and English.

BOARD MEETING

The Board of Directors schedules the date and timing of Board meetings for the entire year in advance, and set each regular meeting's agenda clearly. The Board may also call special meetings if appropriate or as necessary. Directors receive a Board meeting invitation, draft minutes of the previous meeting and supporting information of the meeting agenda for the consideration of the meeting agenda at least seven days before the meeting. In 2019 there was a total of 14 Board meetings were scheduled in advance.

The Chairman of the Board of Directors presides over these Board meetings and gives Directors a chance to participate and express their opinions freely. At least two-thirds of all Directors on the Board must be present to constitute a quorum, which must be maintained until voting is completed. Each Director has one vote, and a resolution is passed based on majority votes. In case of a tie vote, the Chairman is to cast the decisive vote. The Board values the management of conflicts of related parties in prudent, impartial and transparent. All information regarding such conflicts is fully disclosed. If a Director has a personal interest on an agenda item, he or she is required to refrain from taking part in the decision-making process of that particular item.

After every meeting, the Company Secretary is responsible for completing the minutes of the meeting, which will be presented for the Board's certification as the first agenda item of the next meeting and for the Chairman's signature for minutes certification. The certified minutes and supporting documents on each agenda item will be systematically filed in electronic format, on a level of confidentiality categorized documents for easy retrieval and reference purposes.

Moreover, in compliance with good corporate governance principles. The Board of Directors, mandates that Non-Executive Directors meetings be held to suggest their opinions and guidelines of the Company's business management and operations. The Board also mandates that Independent Directors meetings to exchange ideas and review their roles and performance every year. In 2019, the Non-Executive Directors held one meeting and the Independent Directors held one meeting. The summaries of these meetings were presented to the Board for their acknowledgement. The details of Board meetings and Sub-Committee meetings are disclosed in "Directors' Meetings" under "Management Structure".

To easily and swiftly dispatch information and meeting documents, as well as to reduce the use of paper, the Company has implemented a Digital Join Application (D-Join) to forward information to Directors' iPads, which are equipped with the data security system.

DIRECTORS' PERFORMANCE ASSESSMENT

BOARD OF DIRECTORS

The Board of Directors set the Board performance assessment annually to help Directors review their performance and revisit problems and obstacles during the year. In 2019, the Company appointed an external consultant, EY Corporate Services Company Limited, to review and provide recommendation for the improvement of the Board. There are three types of performance assessment, namely group assessment, self-assessment and cross-assessment (assessing another Director) to ensure that they are suitable and align with Corporate Governance Code (CG Code) issued by SEC as well as to analyze and evaluate these performance assessment forms and provide recommendation and related suggestions to GC so that it can use them to improve and develop the Board's performance for greater efficiency. Furthermore, new Board KPIs were also established under the CG Code and the international criteria of the DJSI which are composed four aspects including the Company's performance results, the Board's group assessment results, Directors' meeting attendance and Directors' engagement during the Board meetings.

Board assessment details are as follows:

1. GROUP ASSESSMENT comprises six essential sections including 1) Board policy 2) Board performance 3) Board structure (composition and qualifications) 4) Board style 5) Board meeting 6) Board development. The assessed Directors were the Directors who held a position as director during the assessment period from January to September 2019 in a total of 14 directors (exclusive of one director, Mr. Kongkrapan Intarajang, appointed as Director on October 1, 2019).

THE AVERAGE GROUP ASSESSMENT SCORE OF THE BOARD IS 97.4%.

2. SELF-ASSESSMENT (ASSESSMENT OF INDIVIDUAL DIRECTORS) comprises three essential sections including 1) Directors' knowledge and expertise, self-development and teamwork 2) Board duties performed 3) dedication of time and meeting attendance.

THE AVERAGE SELF-ASSESSMENT SCORE OF THE BOARD IS 96.4%.

3. CROSS-ASSESSMENT (INDIVIDUAL ASSESSMENT OF OTHER DIRECTORS) comprises three main sections including 1) the Director's knowledge and expertise, self-development and teamwork, 2) Board duties performance and 3) dedication of time and meeting attendance.

THE AVERAGE CROSS-ASSESSMENT SCORE OF THE BOARD IS 97.9%.

SUB-COMMITTEES

The Company's sub-committees are the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Risk Management Committee. They also generate the annual performance assessment, both at committee (group) and individual levels. In 2019, every Sub-Committee reviewed and improved the assessment questionnaires and criteria to be in line with good corporate governance practice.

1. AUDIT COMMITTEE: The assessment topics are audit committee charter, composition, meetings, training and resources, responsibilities, relationship with Senior Vice President - Internal Audit, auditors and management, reporting to the Board and shareholders and maintaining of performance quality. The results are summarized below:

- The average score of the Group Assessment is **93.2%**.
- The average score of the Individual Assessment is **90.7%**.

2. NOMINATION AND REMUNERATION COMMITTEE: The assessment topics are composition and qualifications, scope of duties, reporting and performance evaluation. The results are summarized below:

- The average score of the Group Assessment of the Board is **99.59%**.
- The average score of the Individual Assessment is **99.09%**.

3. CORPORATE GOVERNANCE COMMITTEE: The assessment topics are composition and qualifications, scope of duties, meetings, reporting and performance evaluation. The results are summarized below:

- The average score of the Group Assessment is **97.5%**.
- The average score of the Individual Assessment is **96.7%**.

4. RISK MANAGEMENT COMMITTEE: The assessment topics are composition and qualifications, scope of duties, meetings, reporting and performance evaluation. The results are summarized below:

- The average score of the Group Assessment is **99.4%**.
- The average score of the Individual Assessment is **98.8%**.

The results of these assessments and recommendations of the assessment will be presented to the Board of Directors to concretely improve the effectiveness of the Board. The summary of these results will be disclosed in the annual report. In addition, the Nomination and Remuneration Committee will take the Board's group assessment results into account for determining the Board's annual remuneration, in addition to GC's operating performance.

DEVELOPMENT OF DIRECTORS AND EXECUTIVES

The Board of Directors recognizes the role of leadership as a governing body of the Company. More than half of its members have studied or attended lectures on the Corporate Governance Code for Listed Company 2017 (CG Code) and have good understanding of CG Code and how it could create sustainable value for the Company's business.

To enhance Directors' knowledge and competence which will support the performance of the Board of Directors effectively, as well as to prepare executives for internal rotations and for the succession to the CEO and top management, the Board of Directors encourages their participation in pertinent training courses and provides the assessment of potential top management to develop the preparedness of executives' performance. The summary of the key developments is as follows

ORIENTATION FOR NEW DIRECTORS

Newly appointed Directors must attend the board orientation, which includes a presentation on GC's nature of business, business data and practices, as well as applicable rules and regulations, corporate governance principles and the business code of conduct, and useful information for the position. Additionally, the company prepares handbooks and other documents needed to perform their roles, namely the strategic plan, the Company's Articles of Association, Memorandum of Association, annual report, related rules and regulations, and the Corporate Governance and Business Code of Conduct Handbook.

TRAINING FOR DIRECTORS

GC always encourages its Directors to pursue further education and training opportunities to enhance their competence for the jobs, which includes:

- Participation in activities aimed to promote and elevate corporate governance, as well as visits to operating sites of GC Group and joint ventures in Thailand and overseas so as to enrich their

understanding of GC's businesses and optimize their knowledge and experiences for GC's benefit.

- Participation in relevant and beneficial training programs, as well as refresher programs, at Thai Institute of Directors Association (IOD).

In 2019, Directors participated in the following programs:

Director	Program / Institute
1. Mr. Praphon Wongtharua	<ul style="list-style-type: none"> • Advanced Audit Committee Program (AAPC), Class 32/2019, Thai Institute of Directors Association (IOD)
2. Major General Nithi Chungcharoen	<ul style="list-style-type: none"> • Boards That Make a Difference Program, Class 9/2019, Thai Institute of Directors Association (IOD)
3. Mrs. Premrutai Vinaiphath	<ul style="list-style-type: none"> • The Executive Program in Energy Literacy for Sustainable Future, Class 13, Thailand Energy Academy (TEA) • Director Certification Program (DCP), Class 269/2019, Thai Institute of Directors Association (IOD)
4. Mr. Prasert Bunsumpun	<ul style="list-style-type: none"> • Rule of Law for Democracy, Class 7, College of the Constitutional Court
5. Mr. Prasan Chuaphanich	<ul style="list-style-type: none"> • Board Nomination and Compensation Program (BNCP), Class 7/2019, Thai Institute of Directors Association (IOD)

- GC held a lecture for the Board of Directors on the topic of "Know Your Cyber Risk," for their acknowledgment and better understanding of the risk factors on technology which have become a key issue of the current situation and may impact to the Company's business so that they will be prepared to efficiently handle the situations, in line with the Director's Development plans under the CG code.

executives will be encouraged to serve as role models, while strictly and efficiently complying with the Corporate Governance and Business Code of Conduct.

- The company encouraged the Company Secretary to attend IOD's Director Certification Program (DCP), Class 287/2019, Thai Institute of Directors Association (IOD).

TRAINING FOR THE COMPANY SECRETARY

The Company encourages its Executives and the Company Secretary to pursue further education and training that will benefit their roles, the Company business and the Board, including:

- The company conducted training for executives serving as directors of GC and companies under GC on the topic of duties and responsibilities of a director under the laws and good corporate governance principles. The goal was to bolster their knowledge, skills and capabilities as directors of such subsidiaries.
- The company conducted a training program on the topic of Ethical Leadership in the digital era lectured by Professor Vicha Mahakun, President of Anti-Corruption Foundation, to enhance executives' performance in managing the organization with honesty, transparency, accountability with due regard for all stakeholders. In addition, the

TALENT MANAGEMENT AND SUCCESSION PLANNING

GC has established systematic succession plan in which all employees have been divided into groups based on their competency. A 360-degree assessment and Assessment Center were also applied to assess executives' experience, leadership and capability in organizational management in order to define efficient individual development plans and to prepare them for business expansion, change of organization structures, and replacement of retirees to ensure efficient business continuation. This can ensure seamless transition and achievement of strategic goals. Succession Plans has been implemented to fill vacant positions as a result of retirement, transfer, or as needed for the organization structure under the expansion plan, domestic and overseas. Those appointed as successors will be systematically developed to get ready to assume the new roles as scheduled.

GOVERNANCE OF GC GROUP

The Company conducts its business through its subsidiaries, joint ventures, affiliates and others as detailed under the topic of Shareholding Structure in Subsidiaries and Affiliates. The Board of Directors approved the implementation of governance guidelines for the operations and management of GC Group which are in line with GC Business Principle according the following details.

- Chief Executive Officer has the authority to establish policies, guidelines, conditions and methods needed to appoint an employee or another individual as a director of companies under GC which are part of the Company's human resource management regulations. Those appointed persons are entrusted with the responsibility to do his or her best for the utmost benefit of the organization where he or she serves as director.
- Ensuring that any major policies of companies under GC, such as Corporate Governance Policy, Corporate Compliance Policy, Finance, Accounting, Tax and Budget Policy, Quality, Security, Safety, Occupational Health, Environment and Business Continuity Policy, Human Resources Management Policy, Sustainability Management Policy, Risk Management Policy and Internal Control Policy as well as any another relevant policies, are in accordance with rules, regulations of Stock Exchange of Thailand and the Securities and Exchange Commission and any other relevant laws.
- Establishing GC Way of Conduct, in order for GC's executives and employees who are being seconded to companies under GC to uphold it as guidelines when undertaking management operations. Those seconded persons are to endorse a range of policies and precautionary internal control system in companies under GC, such as Corporate Governance Policy, Corporate Compliance Policy. GC also encourages companies under GC to operate its business at the same standard to improve its operational efficiency and achieve business goals.

COMPLIANCE ON OTHER PRINCIPLES OF CG CODE

The Board set a process to consider and review at least once a year the adoption and application of Corporate Governance Code for Listed Companies 2017 (CG Code) for its business context. Any principles not yet or could not be applied are to be recorded with corresponding justification as part of the Board's resolution. Implementations under each item of the CG Code will be evaluated to ensure appropriate outcomes or development plans.

In 2019, GC has at all times thoroughly observed its CG code as detailed below.

1. The Board of Directors reviewed its key performance indicators (Board KPIs) for determining the Board performance for the year 2020 which are in conformity to the CG Code and the DJSI international standard.
2. Board Skill Matrix has been updated to enhance Board development (improving Directors' knowledge and capabilities in areas that are needed or lacking) to align Directors' qualifications with the current nature of business and direction.
3. GC's conduct, under the current business context and condition, was assessed against criteria of the CG Code, to conclude that GC had complied with most of these criteria. In addition, the principles and guidelines of the CG Code, as well as the criteria of CAC and the DJSI international standard, had been reviewed and used in the 2019 revision of the Corporate Governance and Business Code of Conduct Handbook.
4. The Corporate Governance and Business Code of Conduct Handbook has been revised as well as Corporate Compliance Policy to be in line with best practices of regulatory and assessment authorities, both national and under international standards, such as CG Code, Private Sector Collective Action against Corruption (CAC), Dow Jones Sustainability Indices (DJSI).
5. An external consultant was appointed to provide guidelines and recommendations for the assessment of the Board of Directors' performance. Its assessment results will be disclosed in the annual report.

HEAD OF INTERNAL AUDIT AND CORPORATE COMPLIANCE

Audit Committee Charter recognizes that Audit Committee shall approve the appointment, transfer, termination and merits of the Head of Internal Audit Function. In addition, Audit Committee Meeting No. 8/2017 held on September 18, 2017 resolved to approve the appointment of Mr. Amorn Putiphawan as Senior Vice President, Internal Audit with effective from January 1, 2018 as he possesses knowledge, capability, experience and suitable qualification for the role of internal audit.

Furthermore, GC has established Corporate Compliance Division, under the supervision of Corporate Governance Department, to be responsible for monitoring and overseeing all business unit regarding legal compliance so that its personnel will comply with laws, rules and any other regulations correctly. GC has also assigned Mrs. Rattana Nakasiri, Vice President of Corporate Governance Department, to promote and facilitate good corporate governance practices as well as ensuring that executives and employees of GC Group are to perform their duties in accordance with laws, rules and any other regulations and of the country GC has operated.

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Dear shareholders,

In 2019, the Corporate Governance Committee comprised its chairman, namely Professor Somkit Lertpaitoon and its Committee members, namely Major General Nithi Chungcharoen, Mrs. Watanan Petersik and Mr. Disathat Panyarachun. The Committee performed its duties under Corporate Governance Committee Charter and executed tasks as assigned by the Board of Directors. The Committee held a total of seven meetings to proceed the following matters.

1. Ensuring Compliance with Requirements, Regulations, Legislation, Rules and Best Practices

- Ensuring the preparation of Annual General Meeting of Shareholders (AGM) to be in accordance with applicable laws and AGM Checklist, corporate governance principles and any other best practices. In this regard, GC received a perfect assessment score of 100 on the 2019 AGM checklist, with a rating of Excellence, for the eight consecutive year from the Thai Investors Association (TIA).
- Ensuring that minority shareholders were given more than three months in advance of the 2019 AGM to propose AGM agenda items and nominate director candidates, from September 16 to December 31, 2019 according to the established criteria.
- Regularly monitoring and advising on corporate compliance practices in GC Group as well as supervising whistleblowing procedures for handling any compliances received from reporting channels to be in line with Whistleblower Policy through the Committee Meeting in every quarter. The Committee also approved corporate compliance plan for the year 2020 in order to prevent and mitigate any risks resulting from noncompliance with laws, rule and regulations (Predictive Compliance).

2. Promoting Compliance with Corporate Governance Policy and Business Code of Conduct

- Monitoring GC Group's corporate governance practices to ensure alignment with the requirements and regulations of domestic regulators and international standards, including corporate strategies and business directions. The Committee also approved the 2020 corporate governance plan to determine operation, monitoring, and measuring governance actions for GC Group.
- Monitoring and providing recommendations for the review of adherence to Corporate Governance Code for Listed Companies 2017 (CG Code) issued by The Securities and Exchange Commission for further submission to the Board of Directors. The Committee also disclosed its corporate governance practices in the Annual Registration Statement (Form 56-1) and the 2019 Annual Report and annually revised Corporate Governance and Business Code of Conduct Handbook to ensure its up-to-date and suitable policies and practices.
- Commenting and advising on anti-corruption measures and corruption risk assessment in GC's procedures for the preparation of recertification process of the Private Sector Collective Action Coalition Against Corruption (CAC) for the third time within February 2020. The Committee also approved clear anti-corruption plans for the year 2020 which is suitable for GC's business context and in line with any other regulations, such as CAC project and the Transparent Organization project under the Office of the National Anti-Corruption Commission.
- Reviewing reports on compliance with good corporate governance principles in the Annual Registration Statement (Form 56-1) and the 2019 Annual Report to ensure complete disclosure and compliance with good corporate governance guidelines. As a result, GC continued to receive the mark "Excellence" on Corporate Governance Report of Thai Listed Companies (CGR) of Thai Institute of Directors Association (IOD).

3. Supervising Sustainability Practices

- Monitoring and advising on the Company's sustainable development to be in line with international standards, such as Dow Jones Sustainability Indices (DJSI), UN Global Compact and Carbon Disclosure Project (CDP) as well as reviewing every component of the Company's sustainability framework to ensure that it aligned with the global circumstance and rapidly evolving challenges.
- Overseeing the Company's business responsibility towards stakeholders under good corporate governance principles by continually advising and following up on performance through presentations as well as determining an assessment of stakeholders' confidence in GC's business conduct under good corporate governance principles for the purpose of planning to meet the expectations of stakeholders.
- Promoting and valuing stewardship of communities and society of Rayong, GC's operating base, with all sectors through CSR projects (Rayong Programs) designed to resolve problems and meet the expectations of Rayong communities. The Committee also advised and monitored the CSR projects through presentations and site visits. In 2019, GC continued its project, namely the Giving Back to the Society, in which the Company refrained from giving souvenirs to shareholders attending the AGM for the fourth consecutive year. Instead, GC donated Baht 100 for every attending shareholders, totaling Baht 553,000, to purchase medical equipment for Wang Chan Hospital in Rayong province.
- Advocating and providing recommendations on conscientious consumption of resources through a wide array of actions throughout the value chain under the theme of "Circular Living", aiming primarily to lead society in responsibly consuming plastics.
- Approving plans and indicators of GC's sustainability work for the year 2020 activities which cover all three sustainability dimensions (economic, social, and environmental) to maintain its position as a global leader (the Top 10 World Members in Chemical Sector by DJSI).

4. Reporting Performance, Assessment and Development

- Pre-setting the dates for its meetings for the entire year, arranging at least one meeting per quarter. Ad-hoc meetings were allowed to take place if necessary. In these meetings, the Committee considered and acknowledged the Company's performance and report as well as providing any recommendations to the Board of Directors and the Management.
- Reviewing the Committee's charter to ensure its contents align with their roles and duties and any applicable rules and regulations.
- Reviewing the corporate governance Committee's assessment questionnaires (group and self-assessment) as well as endorsing the revision of the board of directors' assessment questionnaires (group assessment, cross-assessment, and self-assessment) by an external consultant to be in line with CG Code.
- Reporting performance and both group and self-assessment results of the Committee for the year 2019 to the Board of Directors for their acknowledgment.
- Continuously ensuring director development under good corporate governance principles by encouraging them to attend training courses of Thai Institutes of Directors Association. In 2019, GC invited an external lecturer to share knowledge with directors on crucial technological risks concerning GC's business.

The Corporate Governance Committee places great importance on ensuring GC's strict compliance with Corporate Governance Policy and Business Code of Conduct. The Committee is also committed to continually enhancing corporate governance practices on par with international standards. GC believes that good corporate governance help promote the business operations efficiently while supporting sustainability in order that the Company shall earn the confidence of its stakeholders as well as international recognition.

On behalf of the Corporate Governance Committee

(Signed) Somkit Lertpaithoon
(Professor Somkit Lertpaithoon)
Chairman of the Corporate Governance Committee