

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Dear shareholders,

The 4 members of the Corporate Governance Committee of 2018 are Professor Somkit Lertpaithoon (Chairman), Colonel Nithi Chungcharoen, Mrs. Watanan Petersik and Mr. Disathat Panyarachun (Directors). Mrs. Watanan Petersik and Mr. Disathat Panyarachun was appointed in replacement of former directors to corporate governance namely, Mr. Auttapol Rerkpiboon and Mr. Don Wasantapruet. The Committee has duly performed the duties set forth in the Corporate Governance Committee Charter and executed the tasks mandated by the Board of Directors. The Committee has held a total of 5 meetings. Below is a summary of the Committee's key developments:

1. Ensuring compliance with regulations, applicable laws, and best practices

- The Committee oversaw the preparation of the annual general meeting of shareholders (AGM) to ensure compliance with applicable laws, the AGM checklist, corporate governance (CG) principles and best practices. As a result, the Company's AGM received the mark "Excellent" with a perfect score of 100 for the seventh consecutive year from the Thai Investors Association (TIA) in 2018.
- The Committee ensured that minority shareholders were given more than 3 months ahead of the 2019 AGM date to propose AGM agenda items and nominate directorial candidates, from September 17th to December 31st, 2018.
- The Committee supervised compliance management processes to prevent any violation of rules, regulations and laws that govern the GC Group's businesses and to minimize risks that could arise as a result of such violation. The Committee also monitored the adherence of the whistleblower system to the Whistleblower Policy through reports.

2. Securing compliance with Corporate Governance and Business Code of Conduct

- The Committee approved the Corporate Governance Plan and the Corporate Compliance Plan for 2019, which had been prepared in accordance with the Corporate Governance Code for Listed Companies 2017 (CG Code) of the Securities and Exchange Commission, the criteria of the Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors (IOD), and the Company's business direction and strategies. The Committee also reviewed the Company's corporate governance performance regularly.
- The Committee added the Compliance Policy to the latest edition of the Corporate Governance and Business Code of Conduct Handbook to eliminate redundancy and to facilitate the implementation of these interrelated policies. In addition, the Committee also aligned the content of the handbook with the CG Code, the anti-corruption measures of Thailand's Private Sector Collective Action Coalition against Corruption (CAC), and other international criteria, such as those of the Dow Jones Sustainability Indices (DJSI), Asean CG scorecard.
- The Committee reviewed the Corporate Governance Report in the Annual Registration Statement (Form 56-1) and the 2018 Annual Report (Form 56-2) to ensure complete disclosure of information and compliance with good corporate governance guidelines at both domestic and international levels. As a result, the Company continued to receive the mark "Excellent" on the CGR.
- The Committee offered advice during the review of the Company's anti-corruption measures and established the 2019 anti-corruption action plan in conformity with the CAC's criteria.

3. Supervising sustainable-development work

- The Committee oversaw that the Company's sustainable development work was in line with international standards and criteria, including the Dow Jones Sustainability Indices (DJSI), the UN Global Compact and the Carbon Disclosure Project (CDP). The Committee also reviewed every component of the Company's sustainability framework to make certain that it suited the global context and rapidly evolving challenges.

- The Committee reviewed and monitored key performance indicators of the Company's sustainability work to ensure that the Company would maintain its position as one of the top 10 world members in the chemical sector by the DJSI. Moreover, the Committee also offered advice on the Company's work on sustainability to ensure that the economic, social and environmental balance would be achieved.
- Through reports from responsible departments, the Committee oversaw that the Company operated its business with due regard to its responsibilities towards stakeholders' in accordance with good corporate governance principles. The Committee also offered its opinions and suggestions on related matters.
- The Committee encouraged and reiterated the importance of caring for the locals and their communities in Rayong through a number of corporate social responsibility projects (collectively, the Rayong Program). These projects were aimed at providing solutions and meeting the expectations of people living near the Company's home base in Rayong by means of mutual engagement. In addition, under the Giving Back to Society campaign, the Company refrained from presenting souvenirs to shareholders attending the AGM for the third consecutive year in 2018. Instead, it donated 100 Baht for every shareholder in attendance, a total of 498,000 Baht, to purchase medical equipment for Khao Chamao Chalermprakiat 80 Years Hospital in the Province of Rayong.

4. *Performance, assessment and development*

- The Committee pre-set 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 reports, as well as made recommendations to the Board of Directors and management.
- The Committee reviewed and enhanced the 2018 Board Performance Assessment Questionnaire according to the present circumstances, as well as the CG Code and the DJSI's criteria.
- The Committee reviewed and updated its charter in accordance with the Company's current business context and the criteria of domestic and international governing bodies.
- The Committee oversaw the betterment of the Board of Directors in accordance with good corporate governance principles by ensuring the provision of continuous training for members of the Board. The Committee also encouraged them to take various classes at the Thai Institute of Directors and invited experts from outside the organization to give lectures to them.
- The Committee reported its performance and the results of its 2018 individual and group performance assessment to the Board of Directors for their acknowledgement.

The Corporate Governance Committee attaches much importance to the role it plays in ensuring that the Company strictly adheres to the Corporate Governance Policy and the Business Code of Conduct. The Committee shall endeavor to unceasingly develop the Company's corporate governance in reflection of international practices. Believing that good corporate governance plays a major role in ensuring the Company's efficient operation and contributes to the sustainability of its business, the Committee hopes that its efforts will help the Company earn the confidence of its stakeholders, as well as domestic and global recognition.

On behalf of the Corporate Governance Committee

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