

# 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 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