Notations:
LI: Linearly independent
LD: Linearly dependent
$\mathbf{x}, \mathbf{d}, \mathbf{b}$, etc, that is characters in boldface represent (column) vectors
$S = Fea(LPP) = \{\mathbf{x} \in \mathbb{R}^n : A_{m\times n}\mathbf{x} \leq \mathbf{b}, \mathbf{x} \geq \mathbf{0}\}$.

Observation 5: Suppose if a LPP has an unbounded feasible region, then there exists a vector $\mathbf{d} \neq \mathbf{0}$ such that starting from any point of the feasible region if you move in the positive direction of $\mathbf{d}$, then you will always remain inside the feasible region.
That is for any $\mathbf{x} \in Fea(LPP)$, $\mathbf{x} + \alpha\mathbf{d} \in Fea(LPP)$ for all $\alpha \geq 0$.
Then $\mathbf{d} \neq \mathbf{0}$ is called a **direction** of $S = Fea(LPP)$.
Throughout our discussion, $\mathbf{d}$ will denote a column vector given by $\mathbf{d} = [d_1, ..., d_n]^T$.

Definition: Given a nonempty convex set S, $S \subset \mathbb{R}^n$, $\mathbf{d} \neq \mathbf{0}$ is called a **direction** of S if for all $\mathbf{x} \in S$, $\mathbf{x} + \alpha\mathbf{d} \in S$ for all $\alpha \geq 0$.
From the definition it is clear that if $\mathbf{d}$ is a direction of a convex set S, then for all $\gamma > 0$,
since $\mathbf{x} + \alpha\mathbf{d} = \mathbf{x} + (\frac{\alpha}{\gamma})\gamma\mathbf{d} \in S$ for all $\alpha \geq 0$,
$\gamma\mathbf{d}$ is again a direction for all $\gamma > 0$.
Two directions $\mathbf{d}_1, \mathbf{d}_2$ of S are said to be distinct if $\mathbf{d}_1 \neq \gamma\mathbf{d}_2$ for any $\gamma > 0$ (or equivalently $\mathbf{d}_2 \neq \beta\mathbf{d}_1$ for any $\beta > 0$).

Result: The set of all directions of $S = \{\mathbf{x} \in \mathbb{R}^n : A_{m\times n}\mathbf{x} \leq \mathbf{b}, \mathbf{x} \geq \mathbf{0}\}$ is given by
$D = \{\mathbf{d} \in \mathbb{R}^n : \mathbf{d} \neq \mathbf{0}, \quad A_{m\times n}\mathbf{d} \leq \mathbf{0}, \quad \mathbf{d} \geq \mathbf{0}\}$ or
$D = \{\mathbf{d} \in \mathbb{R}^n : \mathbf{d} \neq \mathbf{0}, \quad \mathbf{a}_i^T\mathbf{d} \leq 0, \text{ for all } i = 1, 2, \ldots, m, \quad \mathbf{d} \geq \mathbf{0}\}$.

Proof: If $\mathbf{d} \in D$ and $\mathbf{x} \in S$,
then $\mathbf{x} + \alpha\mathbf{d} \geq \mathbf{0}$ for all $\alpha \geq 0$, since $\mathbf{x} \geq \mathbf{0}$ and $\mathbf{d} \geq \mathbf{0}$. **(1)**
Also $A(\mathbf{x} + \alpha\mathbf{d}) = A\mathbf{x} + \alpha A\mathbf{d} \leq \mathbf{b}$, for all $\alpha \geq 0$ since $A\mathbf{x} \leq \mathbf{b}$, $A\mathbf{d} \leq \mathbf{0}$. **(2)**
From **(1)** and **(2)**, $\mathbf{x} + \alpha\mathbf{d} \in S$ for all $\alpha \geq 0$.
Hence if $\mathbf{d} \in D$ then $\mathbf{d}$ is a direction of S. (*)

If $\mathbf{d}$ does not belong to D then either $d_i < 0$ for some $i = 1, 2, \ldots, n$, or $(A\mathbf{d})_j = \mathbf{a}_j^T\mathbf{d} > 0$ for some $j = 1, 2, \ldots, m$.
If $d_i < 0$ for some $i = 1, 2, \ldots, n$ then given any $\mathbf{x} \in S$ there exists $\alpha > 0$ sufficiently large such that, $x_i + \alpha d_i < 0$, which implies $(\mathbf{x} + \alpha\mathbf{d})$ does not belong to S for all such α implies $\mathbf{d}$ is not a direction of S.
If $(A\mathbf{d})_j = \mathbf{a}_j^T\mathbf{d} > 0$ for some $j = 1, 2, \ldots, m$, then given any $\mathbf{x} \in S$ there exists $\alpha > 0$ sufficiently large such that
$(A\mathbf{x})_j + \alpha(A\mathbf{d})_j > 0$, hence $(\mathbf{x} + \alpha\mathbf{d})$ does not belong to S for all such α,
implies $\mathbf{d}$ is not a direction of S.
Hence if $\mathbf{d}$ does not belong to D then $\mathbf{d}$ cannot be a direction of S. (**)
(*) and (**) together gives the required result.

Remark: Note that the set of all directions of $S = Fea(LPP)$ is a convex set.
In fact if $\mathbf{d}_1$ and $\mathbf{d}_2$ are two directions of S, then $\mathbf{d} = \alpha\mathbf{d}_1 + \beta\mathbf{d}_2$ will again be a direction of S, for any α, β nonnegative (as long as both α, β are not equal to zero).

Definition: A direction $\mathbf{d}$ of S is called an **extreme direction** of S, if it cannot be written as a positive linear combination of two distinct directions of S, that is, if $\mathbf{d} = \alpha\mathbf{d}_1 + \beta\mathbf{d}_2$, for $\alpha, \beta > 0$ and $\mathbf{d}_1, \mathbf{d}_2 \in D$ then $\mathbf{d}_1 = \gamma\mathbf{d}_2$ for some $\gamma > 0$.

It is clear that if D denotes the set of all directions of S (which might even be the empty set if S is bounded) then $D' = \{\mathbf{d} \in \mathbb{R}^n : \mathbf{d} \geq \mathbf{0}, A\mathbf{d} \leq \mathbf{0}, \sum_i d_i = 1\}$ is a set of all distinct directions of S.
Also each $\mathbf{d} \in D$ is of the form $\mathbf{d} = \alpha\mathbf{d}'$ for some $\mathbf{d}' \in D'$ and $\alpha = \sum_i d_i (> 0)$.
Note that D' can be written as

$$D' = \left\{ \mathbf{d} \in \mathbb{R}^n : \mathbf{d} \geq \mathbf{0}, \begin{bmatrix} & A & \\ 1 & 1, .., & 1 \\ -1 & -1, .., & -1 \end{bmatrix} \mathbf{d} \leq \begin{bmatrix} \mathbf{0} \\ 1 \\ -1 \end{bmatrix} \right\}.$$

The set D' now looks exactly like the feasible region of an LPP, hence if D' is nonempty then D' has at least one extreme point (why?).

Result: $\underline{\mathbf{d}}$ is an extreme direction of S if and only if $\underline{\mathbf{d}'} = \frac{\mathbf{d}}{\sum_i d_i}$ is an extreme point of D'

Proof: Let $\underline{\mathbf{d}_1}, \underline{\mathbf{d}_2} \in D$ and $\alpha, \beta > 0$, such that $\mathbf{d}_1 \neq \gamma\mathbf{d}_2$ for any $\gamma > 0$,

$$\underline{\mathbf{d}} = \alpha\underline{\mathbf{d}_1} + \beta\underline{\mathbf{d}_2}, \iff \frac{\mathbf{d}}{\sum_i d_i} = \alpha\left(\frac{\sum_i d_{1i}}{\sum_i d_i}\right)\frac{d_1}{\sum_i d_{1i}} + \beta\left(\frac{\sum_i d_{2i}}{\sum_i d_i}\right)\frac{\mathbf{d}_2}{\sum_i d_{2i}}, \qquad (**)$$

where $\underline{\mathbf{d}} = (d_1, ..., d_n)^T, \underline{\mathbf{d}_1} = (d_{11}, ..., d_{1n})^T$ and $\underline{\mathbf{d}_2} = (d_{21}, ..., d_{2n})^T$.
If $\underline{\mathbf{d}'} = \frac{\mathbf{d}}{\sum_i d_i}$, $\underline{\mathbf{d}'_1} = \frac{\mathbf{d}_1}{\sum_i d_{1i}}$ and $\underline{\mathbf{d}'_2} = \frac{\mathbf{d}_2}{\sum_i d_{2i}}$, then $\underline{\mathbf{d}'}, \underline{\mathbf{d}'_1}, \underline{\mathbf{d}'_2} \in D'$.
Since $\underline{\mathbf{d}}, \underline{\mathbf{d}_1}$ and $\underline{\mathbf{d}_2}$ are all nonnegative and nonzero vectors, $\sum_i d_i, \sum_i d_{1i}, \sum_i d_{2i} > 0$ and since $\underline{\mathbf{d}} = \alpha\underline{\mathbf{d}_1} + \beta\underline{\mathbf{d}_2}$, $\sum_i d_i = \alpha(\sum_i d_{1i}) + \beta(\sum_i d_{2i})$.
From (**) $\underline{\mathbf{d}} = \alpha\underline{\mathbf{d}_1} + \beta\underline{\mathbf{d}_2} \iff \underline{\mathbf{d}'} = \lambda\underline{\mathbf{d}_1}' + (1 - \lambda)\underline{\mathbf{d}_2}'$,
where $\lambda = \alpha\left(\frac{\sum_i d_{1i}}{\sum_i d_i}\right)$ and $0 < \lambda < 1$.
Hence $\underline{\mathbf{d}}$ is not an extreme direction of $S \iff \underline{\mathbf{d}'}$ is not an extreme point of D'.

Remark: Hence the number of extreme directions of S is finite (why?).

Also since D' is a polyhedral set (like the set, $Fea(LPP) = S$), if $D' \neq \phi$, then D' must have atleast one extreme point (not proved as yet),
hence if $Fea(LPP) = S$ is unbounded then (since D' is then a nonempty set, which is of the same form as S, hence will have atleast one extreme point) S must have atleast one extreme direction.
Also the extreme directions of S which are also extreme points of D' (after suitable normalization) will lie on n LI hyperplanes defining D'.
Since any $\mathbf{d} \in \mathbb{R}^n$, $\mathbf{d} \neq \mathbf{0}$ cannot be orthogonal to n LI vectors, so $\mathbf{d}$ cannot lie on n LI hyperplanes of the $(m + n)$ hyperplanes given by,
$\{\mathbf{d} \in \mathbb{R}^n : \mathbf{a}_i^T\mathbf{d} = \mathbf{0}\}$ for $i = 1, 2, \ldots, m$, and $\{\mathbf{d} \in \mathbb{R}^n : -\mathbf{e}_j^T\mathbf{d} = \mathbf{0}\}$ for $j = 1, 2, \ldots, n$.
So if $\mathbf{d} \in D'$, is an extreme direction of S or an extreme point of D', then it should should lie on $(n - 1)$ LI hyperplanes of the above mentioned $(m + n)$ hyperplanes, which together with the hyperplane $\{\mathbf{d} \in \mathbb{R}^n : [1, 1, \ldots, 1]\mathbf{d} = 1\}$ on which $\mathbf{d}$ must necessarily lie (since $\mathbf{d} \in D'$), should give a collection of n LI hyperplanes, on which $\mathbf{d}$ should lie.
So any $\mathbf{d} \in D$, which lies on $(n - 1)$ LI hyperplanes out of the $(m + n)$ hyperplanes given by
$\{\mathbf{d} \in \mathbb{R}^n : \mathbf{a}_i^T\mathbf{d} = \mathbf{0}\}$ for $i = 1, 2, \ldots, m$, and $\{\mathbf{d} \in \mathbb{R}^n : -\mathbf{e}_j^T\mathbf{d} = \mathbf{0}\}$ for $j = 1, 2, \ldots, n$,
will be an extreme direction of S.

Exercise: Check that if $\{H_1, \ldots, H_{n-1}\}$ is an LI collection of hyperplanes from the $(m + n)$ defining hyperplanes of D, then $\{H, H_1, \ldots, H_{n-1}\}$ is LI where $H = \{\mathbf{d} \in \mathbb{R}^n : [1, 1, \ldots, 1]\mathbf{d} = 1\}$.

Example 2: (revisited) Consider the problem,
Min $-x + 2y$
subject to
$x + 2y \geq 1$
$-x + y \leq 1$,
$x \geq 0, y \geq 0$.
Note that here the set of all directions of S is given by
$D = \{\mathbf{d} \in \mathbb{R}^2 : [-1, -2]\mathbf{d} \leq 0, [-1, 1]\mathbf{d} \leq 0, \mathbf{d} \geq \mathbf{0}\}$.
Also if $\mathbf{d} \in D$ is an extreme direction of S then it has to lie on exactly one of the hyperplanes given by
(i) $\{\mathbf{d} \in \mathbb{R}^2 : [-1, -2]\mathbf{d} = 0\}$, (ii) $\{\mathbf{d} \in \mathbb{R}^2 : [-1, 1]\mathbf{d} = 0\}$, (iii) $\{\mathbf{d} \in \mathbb{R}^2 : d_1 = 0\}$, (iv) $\{\mathbf{d} \in \mathbb{R}^2 : d_2 = 0\}$.
Note that there exists no $\mathbf{d} \geq \mathbf{0}$, $\mathbf{d} \neq \mathbf{0}$ such that $[-1, -2]\mathbf{d} = 0$.
Also if $\mathbf{d} \geq \mathbf{0}$, $\mathbf{d} \neq \mathbf{0}$ satisfies the condition $d_1 = 0$, then $[-1, 1]\mathbf{d} \leq 0$ cannot be satisfied, hence $\mathbf{d}$ does not belong to D.
Hence $\mathbf{d} \in D$, is an extreme direction of S if and only if it lies on either the hyperplane $\{\mathbf{d} \in \mathbb{R}^2 : [-1, 1]\mathbf{d} = 0\}$, or in $\{\mathbf{d} \in \mathbb{R}^2 : d_2 = 0\}$.
Hence $\mathbf{u} = [1, 1]^T$ and any positive scalar multiple of $\mathbf{u}$ (they are all same as directions), and $\mathbf{v} = [1, 0]^T$ and any positive scalar multiple of $\mathbf{v}$, are the only possible extreme directions of $S = Fea(LPP)$ of the LPP given above.

Theorem: If $S = Fea(LPP) = \{\mathbf{x} \in \mathbb{R}^n : A_{m \times n}\mathbf{x} \leq \mathbf{b}, \mathbf{x} \geq \mathbf{0}\}$ is nonempty, then S has atleast one extreme point.

Proof: Consider $\mathbf{x} \in S$. If $\mathbf{x}$ is an extreme point of S, then done.
If not, then $\mathbf{x}$ lies in **exactly**, $0 \leq k < n$, LI hyperplanes, and there exists $\mathbf{x}_1, \mathbf{x}_2$ distinct elements of S such that $\mathbf{x}$ lies strictly in between and on the line segment joining $\mathbf{x}_1, \mathbf{x}_2$, that is, there exists $0 < \lambda < 1$, such that $\mathbf{x} = \lambda\mathbf{x}_1 + (1 - \lambda)\mathbf{x}_2$.
Let the k LI hyperplanes on which $\mathbf{x}$ lies be $H_{i_1}, \ldots, H_{i_k}$, and let the corresponding normals be $\tilde{\mathbf{a}_{i_j}}$, $j = 1, 2, \ldots, k$.
Then the set of vectors, $\{\tilde{\mathbf{a}_{i_1}}, \ldots, \tilde{\mathbf{a}_{i_k}}\}$ is LI. Also note that each of $\mathbf{x}_1$ and $\mathbf{x}_2$ also lie on the same k, LI hyperplanes (we have seen this earlier also while proving the equivalence of the definition of corner points and extreme points), on which $\mathbf{x}$ lies.
If $\mathbf{d} = \mathbf{x}_2 - \mathbf{x}_1$, then note that $\mathbf{d} \neq \mathbf{0}$ and $\mathbf{d}$ is orthogonal to the normals of each of the k hyperplanes on which $\mathbf{x}$ lies, that is for all $j = 1, \ldots, k$, $\tilde{\mathbf{a}_{i_j}}^T\mathbf{d} = \tilde{\mathbf{a}_{i_j}}^T(\mathbf{x}_2 - \mathbf{x}_1) = \tilde{b_{i_j}} - \tilde{b_{i_j}} = 0$.
Since $\mathbf{x} \geq 0$ and $\mathbf{d} \neq \mathbf{0}$, there exists an $\alpha > 0$ large, such that either $\mathbf{x} + \alpha\mathbf{d}$ does not belong to S or $\mathbf{x} - \alpha\mathbf{d}$ does not belong to S.
Let us assume that $\mathbf{x} - \alpha\mathbf{d}$ does not belong to S for α large, and let $\gamma = \max\{\alpha > 0 : \mathbf{x} - \alpha\mathbf{d} \in S\}$, then note that $\gamma > 0$.
Also, $\mathbf{x}_0 = \mathbf{x} - \gamma\mathbf{d} \in S$ and lies in each of the k LI hyperplanes on which $\mathbf{x}$ lies and also lies in one more hyperplane say H_{i_0}, which obstructs further movement along the direction of $-\mathbf{d}$, starting from $\mathbf{x}$.
Let the normal vector of H_{i_0} be $\tilde{\mathbf{a}_{i_0}}$,
then $\tilde{\mathbf{a}_{i_0}}^T(\mathbf{x} - \gamma\mathbf{d}) = \tilde{b_{i_0}}$, but $\tilde{\mathbf{a}_{i_0}}^T(\mathbf{x} - \alpha\mathbf{d}) > \tilde{b_{i_0}}$ for all $\alpha > \gamma$. (**)
Observe that the hyperplanes $H_{i_0}, H_{i_1}, H_{i_2}, \ldots, H_{i_k}$, are LI.
If not, then suppose the set $\{\tilde{\mathbf{a}_{i_0}}, \tilde{\mathbf{a}_{i_1}}, \ldots, \tilde{\mathbf{a}_{i_k}}\}$ is LD.
Since $\{\tilde{\mathbf{a}_{i_1}}, \ldots, \tilde{\mathbf{a}_{i_k}}\}$ is LI it means that $\tilde{\mathbf{a}_{i_0}}$ can be written as a linear combination of $\tilde{\mathbf{a}_{i_1}}, \ldots, \tilde{\mathbf{a}_{i_k}}$, which implies $\mathbf{d}$ is also orthogonal to $\tilde{\mathbf{a}_{i_0}}$, that is $\tilde{\mathbf{a}_{i_0}}^T\mathbf{d} = \mathbf{0}$.

But then $\tilde{\mathbf{a}_{i_0}}^T(\mathbf{x} - \alpha\mathbf{d}) = \tilde{\mathbf{a}_{i_0}}^T\mathbf{x} = \tilde{\mathbf{a}_{i_0}}^T(\mathbf{x} - \gamma\mathbf{d}) = \tilde{b_{i_0}}$ for all $\alpha \in \mathbb{R}$, which contradicts (**).
Hence the hyperplanes $H_{i_0}, H_{i_1}, H_{i_2}, \ldots, H_{i_k}$ are LI, and we obtain an $\mathbf{x}_0 \in S$, which lies in atleast $(k+1)$, LI hyperplanes defining S. If $\mathbf{x}_0$ is an extreme point, then again done. If not then continue as before starting now from the point $\mathbf{x}_0$. Hence after atmost $(n-k)$ steps we will find a feasible point which lies on exactly n LI hyperplanes defining S, and hence is an extreme point of S.

Remark: Note that the above result is not necessarily true for any polyhedral set.
For example take any single half space, or say a straight line in $\mathbb{R}^n$, which are polyhedral sets, but does not have any extreme point.
The theorem works for $Fea(LPP)$ because of the nonnegativity constraints, that is because $Fea(LPP)$ is given a supply of n LI hyperplanes, among the (m+n) hyperplanes defining S.

Exercise: Can you find a nonempty polyhedral set S, $S \subset \mathbb{R}^3$ which has two defining hyperplanes but does not have any extreme point.

Exercise: Can you find a nonempty polyhedral set S, $S \subset \mathbb{R}^3$ which has three defining hyperplanes (not necessarily the nonnegativity constraints) but does not have any extreme point.

Definition: Given S, a nonempty subset of $\mathbb{R}^n$, and $\mathbf{x}_1, \mathbf{x}_2, \ldots, \mathbf{x}_k \in S$,
$\sum_{i=1}^k \lambda_i\mathbf{x}_i$, is called a convex combination of $\mathbf{x}_1, \mathbf{x}_2, \ldots, \mathbf{x}_k$,
where $0 \leq \lambda_i \leq 1$ for all $i = 1, 2, \ldots, k$, and $\sum_{i=1}^k \lambda_i = 1$.

Result: Given $\phi \neq S \subset \mathbb{R}^n$, S is a convex set if and only if for all $k \in \mathbb{N}$,
the convex combination of any k points of S is again an element of S.

Proof: '**If part**' is obvious, follows from the definition of convex sets.

To show the '**Only if**' part, that is if S is a convex set then the convex combination of finitely many points of S should belong to S, that is for all $k \in \mathbb{N}$,
the convex combination of any k points of S is an element of S.
We will prove this by induction on k.
Since S is convex so the result is true for $k = 2$.
Assume that the convex combination of any $n \leq k$ points of S is in S, to show that the convex combination of any $(k+1)$ points of S is in S.
Let $\mathbf{x} = \sum_{i=1}^{k+1} \lambda_i\mathbf{x}_i$, where $\mathbf{x}_1, \mathbf{x}_2, \ldots, \mathbf{x}_{k+1} \in S$, $0 \leq \lambda_i \leq 1$, for all $i = 1, 2, \ldots, k+1$ and $\sum_{i=1}^{k+1} \lambda_i = 1$, then $\mathbf{x} = (1 - \lambda_{k+1})(\sum_{i=1}^k \frac{\lambda_i\mathbf{x}_i}{\sum_{i=1}^k \lambda_i}) + \lambda_{k+1}\mathbf{x}_{k+1}$.
Note that $\sum_{i=1}^k \frac{\lambda_i\mathbf{x}_i}{\sum_{i=1}^k \lambda_i} \in S$ by induction hypothesis and $\mathbf{x}_{k+1} \in S$.
Hence $\mathbf{x}$ which is now expressed as a convex combination of two points of S, belongs to S.

We assume the following result without proof.

Theorem: (Representation Theorem) If $S = \{\mathbf{x} \in \mathbb{R}^n : A_{m\times n}\mathbf{x} \leq \mathbf{b}, \mathbf{x} \geq \mathbf{0}\}$ is nonempty and if $\mathbf{x}_1, \mathbf{x}_2, ..., \mathbf{x}_k$ are the extreme points of S and $\mathbf{d}_1, \mathbf{d}_2, .., \mathbf{d}_r$ are the extreme directions of S (the set of directions is the empty set if S is bounded) then $\mathbf{x} \in S$ if and only if
$\mathbf{x} = \sum_{i=1}^k \lambda_i\mathbf{x}_i + \sum_{j=1}^r \mu_j\mathbf{d}_j$
where $0 \leq \lambda_i \leq 1$ for all $i = 1, 2, \ldots, k$, $\sum_i \lambda_i = 1$, and $\mu_j \geq 0$, for all $j = 1, 2, \ldots, r$.
That is, $\mathbf{x}$ can be written as a convex combination of the extreme points of S plus a nonnegative linear combination of the extreme directions of S.

Proof: The '**If part**' can be verified easily.
That is, if $\mathbf{x}$ is of the form
$\mathbf{x} = \sum_{i=1}^{k} \lambda_i \mathbf{x}_i + \sum_{j=1}^{r} \mu_j \mathbf{d}_j$
where $0 \leq \lambda_i \leq 1$, for all $i = 1, 2, \ldots, k$, $\sum_{i=1}^{k} \lambda_i = 1$, and $\mu_j \geq 0$ for all $j = 1, 2, \ldots, r$,
then to see that $\mathbf{x} \in S$.
$\mathbf{x} \geq \mathbf{0}$ is obvious, since each of the $\mathbf{x}_i$'s and $\mathbf{d}_j$'s are nonnegative vectors, and all that λ_i's and μ_j's are nonnegative.
Also for any $\mathbf{a}_s^T$, where $\mathbf{a}_s^T$ is the s th row of A, $s = 1, 2, \ldots, m$,
since $\mathbf{d}_j \in D$, for all $j = 1, 2, \ldots, r$, $\quad \mathbf{a}_s^T \mathbf{d}_j \leq 0 \quad (1)$
and since $\mathbf{x}_i \in S$ for all $i = 1, 2, \ldots, k$, $\quad \mathbf{a}_s^T \mathbf{x}_i \leq b_s. \quad (2)$
From (1) and (2) it follows
$\mathbf{a}_s^T \mathbf{x} = \sum_{i=1}^{k} \lambda_i \mathbf{a}_s^T \mathbf{x}_i + \sum_{j=1}^{r} \mu_j \mathbf{a}_s^T \mathbf{d}_j \leq \sum_{i=1}^{k} \lambda_i \mathbf{a}_s^T \mathbf{x}_i \leq \sum_{i=1}^{k} \lambda_i b_s = b_s$
since $0 \leq \lambda_i \leq 1$, $\sum_{i=1}^{k} \lambda_i = 1$, and $\mu_j \geq 0$ for all $j = 1, 2, \ldots, r$.
Hence $\mathbf{a}_s^T \mathbf{x} \leq b_s$, for all $s = 1, 2, ..., m$.
Hence $\mathbf{x}$ satisfies the condition $A\mathbf{x} \leq \mathbf{b}$ and since $\mathbf{x} \geq \mathbf{0}$, $\mathbf{x} \in S$.
'**Only if**' part.
Let us assume that S is unbounded and let $\mathbf{x}_0$ be an arbitrary element of S.
If $\mathbf{x}_0$ is an extreme point of S, WLOG let us assume $\mathbf{x}_0 = \mathbf{x}_1$,
then $\mathbf{x}_0 = 1.\mathbf{x}_1 + 0.\mathbf{x}_2 + \ldots + 0.\mathbf{x}_k + 0.\mathbf{d}_1 + \ldots + 0.\mathbf{d}_r$
which is a convex combination of the extreme points of S and nonnegative linear combination of extreme directions of S.
If not, that is if $\mathbf{x}_0$ is not an extreme point of S then choose an $M > 0$, large such that $\mathbf{x}_0, \mathbf{x}_1, \ldots, \mathbf{x}_k \in \overline{S}$ where $\overline{S} = \{\mathbf{x} \in S : \sum_{i=1}^{n} x_i \leq M\}$, and also such that none of the extreme points of S or $\mathbf{x}_0$ lies on the newly added hyperplane $H_0 = \{\mathbf{x} \in \mathbb{R}^n : \sum_{i=1}^{n} x_i = M\}$.
Note that $\overline{S}$ is bounded.
Since $\overline{S}$ has $m + n + 1$ constraints of which $(m + n)$ come from S, so all the extreme points of S are also extreme points of $\overline{S}$ (since they lie on n LI hyperplanes defining S), but some new extreme points may have been added to $\overline{S}$ due to the addition of the new hyperplane H_0.
Since $\mathbf{x}_0$ is not an extreme point of S or $\overline{S}$, let us assume that it lies on exactly k $(0 \leq k < n)$ LI hyperplanes defining S. Also there exists a line segment $L_{\mathbf{x}_0}$ (with $\mathbf{x}_0$ sitting in between) with boundary points $\mathbf{y}_1, \mathbf{y}_2$ totally contained in $\overline{S}$.
Note that both $\mathbf{y}_1, \mathbf{y}_2$ also lies on the k LI hyperplanes on which $\mathbf{x}_0$ lies. Let $\mathbf{d} = \mathbf{y}_1 - \mathbf{y}_2$, then $\mathbf{x}_0 + \alpha\mathbf{d} \in \overline{S}$ for $\alpha > 0$ sufficiently small.
Let $\gamma = \max\{\alpha : \mathbf{x}_0 + \alpha\mathbf{d} \in \overline{S}\}$ (there exists such a $\gamma > 0$ since $\overline{S}$ is bounded).
Let $\mathbf{y} = \mathbf{x}_0 + \gamma\mathbf{d}$, then $\mathbf{y}$ lies on atleast $(k + 1)$ LI hyperplanes defining $\overline{S}$ of which k are from S, in common with $\mathbf{x}_0, \mathbf{y}_1, \mathbf{y}_2$.
Now by starting with $\mathbf{y}$ and repeating the above process, after atmost $n-k-1$ steps we will be able to find an extreme point of $\overline{S}$, call it $\mathbf{x}_{i_1}$ such that that this extreme point lies on n lie hyperplanes defining $\overline{S}$ of which k are common with $\mathbf{x}_0$.
Consider the line segment joining $\mathbf{x}_{i_1}$ and $\mathbf{x}_0$ (all points on this line segment will be in $\overline{S}$ since it is a convex set) and extend it further from $\mathbf{x}_0$ in the positive direction of the vector $\mathbf{d}_0 = \mathbf{x}_0 - \mathbf{x}_{i_1}$ (you will be able to extend it further from $\mathbf{x}_0$ since otherwise if there is any obstruction of movement at $\mathbf{x}_0$, then it must be by a hyperplane which is LI to the first k hyperplanes on which $\mathbf{x}_0$ lies, which will contradict that $\mathbf{x}_0$ lies on exactly k LI hyperplanes defining $\overline{S}$).
Let $\beta = \max\{\alpha : \mathbf{x}_{i_1} + \alpha\mathbf{d}_0 \in \overline{S}\}$ (there exists such a $\beta > 1$ since $\overline{S}$ is bounded) and let $\mathbf{y}_0 = \mathbf{x}_{i_1} + \beta\mathbf{d}$, then $\mathbf{y}_0$ lies on atleast $(k + 1)$ LI hyperplanes defining $\overline{S}$ of which k are from S, in common with $\mathbf{x}_0, \mathbf{x}_{i_1}$.

Note that $\mathbf{x}_0 = \lambda_1 \mathbf{x}_{i_1} + (1-\lambda_1)\mathbf{y}_0$ for some $0 \leq \lambda_1 \leq 1$, that is $\mathbf{x}_0$ is written as a convex combination of an extreme point $\mathbf{x}_{i_1}$ of $\overline{S}$ and $\mathbf{y}_0$ which lies on atleast $(k+1)$ LI hyperplanes defining $\overline{S}$.
Now repeating the same process by starting with $\mathbf{y}_0$, after a finite number of steps we will be able to write $\mathbf{y}_0 = \lambda_2 \mathbf{x}_{i_2} + (1-\lambda_2)\mathbf{y}_{00}$ for some $0 \leq \lambda_2 \leq 1$, where $\mathbf{x}_{i_2}$ is an extreme point of $\overline{S}$ and $\mathbf{y}_{00}$ lies on atleast $(k+2)$ LI hyperplanes defining $\overline{S}$.
Hence $\mathbf{x}_0 = \lambda_1 \mathbf{x}_{i_1} + (1-\lambda_1)\mathbf{y}_0 = \lambda_1 \mathbf{x}_{i_1} + (1-\lambda_1)(\lambda_2 \mathbf{x}_{i_2} + (1-\lambda_2)\mathbf{y}_{00})$
$= \lambda_1 \mathbf{x}_{i_1} + (1-\lambda_1)\lambda_2 \mathbf{x}_{i_2} + (1-\lambda_1)(1-\lambda_2)\mathbf{y}_{00}$.
That is, $\mathbf{x}_0 = \beta_1 \mathbf{x}_{i_1} + \beta_2 \mathbf{x}_{i_2} + \beta_3 \mathbf{y}_{00}$, where $0 \leq \beta_i \leq 1$ for all $i = 1, 2, 3$ and $\sum_{i=1}^{3} \beta_i = 1$.
Continuing this process after atmost $n-k-2$ steps, we will be able to write $\mathbf{x}_0$ as a convex combination of extreme points of $\overline{S}$,
let $\mathbf{x}_0 = \sum_{j=1}^{p} \lambda_j \mathbf{x}_{i_j}$, (***)
where $0 \leq \lambda_j \leq 1$ for all $j = 1, 2, \ldots, p$ and $\sum_{j=1}^{p} \lambda_j = 1$.
If all the extreme points in that above expression (of $\mathbf{x}_0$) are also extreme points of S then we are done.
If not then WLOG let $\mathbf{x}_{i_1}$ be an extreme point of $\overline{S}$, which is not an extreme point of S, which implies $\mathbf{x}_{i_1}$ lies on $(n-1)$ LI defining hyperplanes of S (WLOG assume that the respective normals are $\tilde{\mathbf{a}}_i, i = 1, \ldots, n-1$) and on the added hyperplane H_0 with normal $[1, \ldots, 1]^T$.
Let $\mathbf{d}_2 \neq \mathbf{0}$ be a vector orthogonal to each of these $(n-1)$ normals (that is $\tilde{\mathbf{a}}_i^T \mathbf{d}_2 = 0$, for all $i = 1, \ldots, n-1$), (why does this vector exist?) and since $\mathbf{d}_2 \neq \mathbf{0}$, it cannot be orthogonal to the normal of H_0 (why?).
Further $\mathbf{x}_{i_1} \pm \alpha \mathbf{d}_2$, (for any given $\alpha > 0$) cannot both lie on the same closed half space defined by H_0 and hence cannot both belong to $\overline{S}$ (since $\mathbf{x}_{i_1}$ lies on H_0 that is $[1, \ldots, 1]^T \mathbf{x}_{i_1} = M$, and $\mathbf{d}_2 \neq \mathbf{0}$).
WLOG let $\mathbf{x}_{i_1} - \alpha \mathbf{d}_2 \in \overline{S}$.
Since $\overline{S}$ is bounded, there exists $\delta > 0$, sufficiently large such that $\mathbf{x}_{i_1} - \delta \mathbf{d}_2$ is not in $\overline{S}$.
Let $\theta = \max\{\delta : \mathbf{x}_{i_1} - \delta \mathbf{d}_2 \in \overline{S}\}$ and let $\mathbf{z} = \mathbf{x}_{i_1} - \theta \mathbf{d}_2$.
Then $\mathbf{z}$ lies on the $(n-1)$ LI hyperplanes of S on which $\mathbf{x}_{i_1}$ lies and another extra hyperplane of S (it cannot be H_0) which is LI to the the previous $(n-1)$, (since it obstructs indefinite movement along positive direction of $\mathbf{d}_2$), hence $\mathbf{z}$ is an extreme point of S.
Check that $\mathbf{z} + \alpha \mathbf{d}_2 \in S$ for all $\alpha > 0$, hence $\mathbf{d}_2 \neq \mathbf{0}$ is a direction of S and since it satisfies $\tilde{\mathbf{a}}_i^T \mathbf{d}_2 = 0$, for all $i = 1, \ldots, n-1$, that is it lies on $(n-1)$ LI hyperplanes defining D(the set of directions of S), hence $\mathbf{d}_2$ is an extreme direction of S.
Also since $\mathbf{x}_{i_1} = \mathbf{z} + \theta \mathbf{d}_2$, if we substitute this expression of $\mathbf{x}_{i_1}$ in (***), and do this similarly for all other extreme points of $\overline{S}$ which are not extreme points of S in (***) then finally we would have written $\mathbf{x}_0$ as a linear combination of the extreme points of S plus a nonnegative linear combination of the extreme directions of S.

Remark: If $S \neq \phi$ is bounded then there is no need to add H_0 to the the existing set of $(m+n)$ defining hyperplanes of S in the above proof, and the process followed above terminates at (***).

Observation 6: If $S = Fea(LPP)$ is a bounded set then any $\mathbf{x} \in S$ can be written as a convex combination of the extreme points of S.

Observation 7: Since D', the set of distinct directions of S (if it is nonempty) is a bounded set because of the constraints $\mathbf{d} \geq \mathbf{0}$ and $\sum_{i=1}^{n} d_i = 1$, so any $\mathbf{d} \in D'$ can be written as a convex combination of the extreme points of D'. So any direction $\mathbf{d} \in D$ of S can be written as a nonnegative linear combination of the extreme directions of S.

Observation 8: Note that if there exists a $\mathbf{d} \in D$ such that $\mathbf{c}^T \mathbf{d} < 0$ then the LPP(*)

((*) Min $\mathbf{c}^T\mathbf{x}$, subject to $A\mathbf{x} \leq \mathbf{b}$, $\mathbf{x} \geq \mathbf{0}$)
does not have an optimal solution.
Since for any given $\mathbf{x} \in S$, $\mathbf{c}^T(\mathbf{x} + \alpha\mathbf{d}) = \mathbf{c}^T\mathbf{x} + \alpha\mathbf{c}^T\mathbf{d}$ can be made smaller than any real M, by choosing $\alpha > 0$ sufficiently large.

Exercise: If $\mathbf{c}^T\mathbf{d}_j \geq 0$ for all extreme directions $\mathbf{d}_j$ of the nonempty and unbounded feasible region S of a LPP, then does it imply that $\mathbf{c}^T\mathbf{d} \geq 0$ for all directions $\mathbf{d} \in D$, of the feasible region S?

Ans is **yes**, since any $\mathbf{d} \in D$ can be written as a **nonnegative** linear combinations of the extreme directions of S, that is,
$\mathbf{d} = \sum_{j=1}^{r} \mu_j \mathbf{d}_j$, for some $\mu_j \geq 0$ for all $j = 1, 2, \ldots, r$,
where $\mathbf{d}_j$'s are the (instead of writing **the**, should be more correctly written as, a set of) extreme directions of S.
Hence $\mathbf{c}^T\mathbf{d} = \sum_{j=1}^{r} \mu_j \mathbf{c}^T\mathbf{d}_j \geq 0$.

Observation 9: From the representation theorem of S we can see that if $S \neq \phi$ and $\mathbf{c}^T\mathbf{d}_j \geq 0$ for all $j = 1, 2, .., r$, then LPP(*) has an optimal solution, and the optimal solution is attained at an extreme point of S.

If $\mathbf{c}^T\mathbf{d}_j \geq 0$ for all $j = 1, 2, .., r$, then for all $\mathbf{x} \in S$,
$\mathbf{c}^T\mathbf{x} = \sum_{i=1}^{k} \lambda_i \mathbf{c}^T\mathbf{x}_i + \sum_{j=1}^{r} \mu_j \mathbf{c}^T\mathbf{d}_j \geq \sum_{i=1}^{k} \lambda_i \mathbf{c}^T\mathbf{x}_i$ (1)
where $0 \leq \lambda_i \leq 1$ for all $i = 1, 2, \ldots, k$, $\sum_{i=1}^{k} \lambda_i = 1$, and $\mu_j \geq 0$, for all $j = 1, 2, \ldots, r$.
If $\mathbf{x}_{i_0}$ is the the extreme point such that,
$\mathbf{c}^T\mathbf{x}_{i_0} = \min\{\mathbf{c}^T\mathbf{x}_i : i = 1, 2, .., k\}$, (note that $i_0 \in \{1, 2, \ldots, k\}$) then from (1),
$\mathbf{c}^T\mathbf{x} \geq \sum_{i=1}^{k} \lambda_i \mathbf{c}^T\mathbf{x}_i \geq (\sum_{i=1}^{k} \lambda_i)\mathbf{c}^T\mathbf{x}_{i_0} = \mathbf{c}^T\mathbf{x}_{i_0}$, for all $\mathbf{x} \in S$.
Hence the LPP(*) has an optimal solution, and the extreme point $\mathbf{x}_{i_0}$ of S is an optimal solution.

Observation 10: From the representation theorem of S we can also see that if $S = Fea(LPP)$ is nonempty and bounded then the LPP(*) has an optimal solution and the optimal value is attained at an extreme point.

If S is bounded then for all $\mathbf{x} \in S$, $\mathbf{c}^T\mathbf{x} = \sum_{i=1}^{k} \lambda_i \mathbf{c}^T\mathbf{x}_i$ for some λ_i, $i = 1, \ldots, k$
where $0 \leq \lambda_i \leq 1$ for all $i = 1, 2, \ldots, k$, $\sum_{i=1}^{k} \lambda_i = 1$.
Again take $\mathbf{x}_{i_0}$ as the the extreme point such that,
$\mathbf{c}^T\mathbf{x}_{i_0} = \min\{\mathbf{c}^T\mathbf{x}_i : i = 1, 2, .., k\}$,
then by repeating the above calculations we get $\mathbf{c}^T\mathbf{x} \geq \mathbf{c}^T\mathbf{x}_{i_0}$ for all $\mathbf{x} \in S$.
Hence the LPP(*) has an optimal solution and the extreme point $\mathbf{x}_{i_0}$ is an optimal solution.

From the above observations we can conclude the following:

Conclusion 1: If $S = Fea(LPP) \neq \phi$, then the LPP (*) has an optimal solution if and only if one of the following is true:
(i) $S = Fea(LPP)$ is bounded (also seen before by using extreme value theorem)
(ii) $S = Fea(LPP)$ is unbounded and $\mathbf{c}^T\mathbf{d}_j \geq 0$ for all extreme directions $\mathbf{d}_j$ of the feasible region S (follows from observation 6 and observation 7).

Conclusion 2: If LPP (*) has an optimal solution then there exists an extreme point of the feasible region S, which is an optimal solution.

Exercise: Give an example of a **nonlinear** function $f : S \to \mathbb{R}$, where $S \subset \mathbb{R}$ is a closed and bounded polyhedral subset of $\mathbb{R}$, (what are these sets?) such that f has a minimum value in S but the minimum value is not attained at any extreme point of S.

Conclusion 3: If $S = Fea(LPP)$ is nonempty, and there exists an $M \in \mathbb{R}$ such that for all $\mathbf{x} \in S$, $\mathbf{c}^T\mathbf{x} \geq M$, then the LPP (*) has an optimal solution.

To understand the significance of the previous result solve the following problems.

Exercise: Give an example of a **linear** function $f : S \to \mathbb{R}$, where $S \subset \mathbb{R}$ is not a polyhedral subset of $\mathbb{R}$, such that $f(x) \geq 1$ but f does not have a minimum value in S.

Exercise: Give an example of a **nonlinear** function $f : S \to \mathbb{R}$, where $S \subset \mathbb{R}$ is a polyhedral subset of $\mathbb{R}$, such that $f(x) \geq 1$ but f does not have a minimum value in S.

We can come to similar conclusions if we consider a linear programming problem, LPP(**) as

(**) Max $\mathbf{c}^T\mathbf{x}$
subject to $A\mathbf{x} \leq \mathbf{b}$, $\mathbf{x} \geq \mathbf{0}$.

Conclusion 1a: If $S = Fea(LPP) \neq \phi$, then the LPP (**) has an optimal solution if and only if one of the following is true:
(i) $S = Fea(LPP)$ is bounded
(ii) $S = Fea(LPP)$ is unbounded and $\mathbf{c}^T\mathbf{d}_j \leq 0$ for all extreme directions $\mathbf{d}_j$ of the feasible region S.

Conclusion 2a: If a LPP (**) has an optimal solution then there exists an extreme point of the feasible region S, which is an optimal solution.

Conclusion 3a: If $S = Fea(LPP)$ is nonempty, and there exists an $M \in \mathbb{R}$ such that for all $\mathbf{x} \in S$, $\mathbf{c}^T\mathbf{x} \leq M$, then the LPP (**) has an optimal solution.