

IDR 16/2015

December 21, 2015

Re: CPALL Audit committee and Independent directors' Statement

CP All Public Company Limited

To: The President

The Stock Exchange of Thailand

Enclosure: CPALL Audit committee and Independent directors' Statement

CP All Public Company Limited ("the Company" or "CPALL") would like to inform the consideration from the special meeting of the audit committee which the Company independent directors also participated, held on December 17, 2015, at 17:00-19:00 hours at the meeting room no. 707, 7<sup>th</sup> Floor, Tara Sathon Tower, 119 South Sathon Road, Thung Maha Mek, Sathon Bangkok. The conclusion of the meeting is exhibited according to the CPALL Audit committee and Independent directors' Statement as enclosed.

Please be informed accordingly.

Sincerely yours,

(Mr. Supot Shitgasornpongse)

Company Secretary

Authorized to sign on behalf of the Company

## **CPALL Audit committee and Independent directors' Statement**

Further to the Securities and Exchange Commission, Thailand ("SEC") announcement on Wednesday 2 December 2015 relating to Mr. Korsak Chairasmisak, Mr. Pittaya Jearavisitkul, and Mr. Piyawat Titasattavorakul of CP ALL Public Co., Ltd. ("the Company") executives, the Company audit committee's special meeting ("the Meeting") that held on December 17, 2015, which the independent directors participated the meeting, have considered the appropriate company response, in line with their duty to represent the rights of every shareholder in the company.

The Meeting notes that Mr. Korsak Chairasmisak, Mr. Pittaya Jearavisitkul, and Mr. Piyawat Titasattavorakul have accepted the ruling and paid the fines. After carefully reviewing the facts and taking into consideration the SEC punishment and the prior behaviour and performance of the individuals and their exceptional skills and experience, which would be difficult to replace, while balancing these factors with the overall effects and benefits to the company, as well as ensuring that this situation can never happen again. We have decided that it is appropriate for the individuals to continue in the business.

However we respect the SEC's decision and find that the company should develop and improve its processes, systems and training on corporate governance to ensure that the Company operates with the corporate governance standards expected of a public listed company going forward. In view of the issue, the Meeting has agreed the following:

1. To designate and appoint a Corporate Governance Committee to be approved at the next Board meeting, significantly broadening and deepening the existing corporate governance systems;
2. To appoint independent external corporate governance experts including legal and audit advisors who will perform a thorough review of the weaknesses in the Company's current corporate governance structures and processes, and make observations as well as recommendations for improvement. These experts will report back to the Corporate Governance Committee.
3. To ensure a comprehensive and ongoing training programs to ensure company directors, executives and anyone in possession of material non-public information to recognize the significance of and to comply with the regulations of the SEC and the Stock Exchange of Thailand.