

**Main Highlights of CAE's Audit Committee
Meeting held on 8 February 2021**

The Audit Committee Meeting was held on Monday, 8 February 2021, at 10:00 am.

The meeting was attended by:

Mr. Paul Carite	Non-Executive Board Member – Chairman of Committee (By Video Conference)
Mr. Assem Ragab	Non-Executive Board Member – Member of Committee
Mr. Didier Reboul	Non-Executive Board Member – Member of Committee (By Video Conference)

Attendees:

Mr. Hesham Helmy	Head of Internal Audit (CAE)
Mr. Samer Masoud	Deputy Head of Internal Audit (CAE)
Mrs. Hala Ragab	General Counsel & Corporate Secretary (CAE)
Mr. Amr Fathy	Head of Compliance (CAE)
Mr. Ehab Azer	Partner – Ernst & Young
Mr. Rashad Hosny	Partner – Mazars, Mostafa Shawky & Co.
Mr. Hany Nassef	Chief Financial Officer “CFO” (CAE)
Mr. Tarek Fouad	Financial Administration (CAE)
Mr. Ayman Fawzy	Financial Administration (CAE)
Mr. Franck Flament	Chief Risk Officer “CRO” (CAE)
Mr. Emmanuel Arribat	Observer with Expertise – CASA (By Videoconference)

The following are the most important items discussed:

- 1) Looking into the status of implementation of the decisions and recommendations of the previous meeting of the Audit Committee.
- 2) Reviewing the financial statements of the Bank for the period ended 31/12/2020, including a description of relationship with the related parties and the financial analysis of the CAE's subsidiary company EHFC.
- 3) Considering the appointment of External Auditors for the F/Y 2021 and the proposals for any additional services required from them.

- 4) Reviewing the reports issued by the Internal Audit Department of the Bank including an annual report on the Committee's activity & the key recommendations issued by the Committee during the year 2020 and the Internal Audit Dept.'s assessment of the branches & departments audited for the previous year; presenting the most important recommendations of the Internal Audit Dept. to monitor and improve the internal control environment & maintaining the Bank's assets; and also discussing the data of the Internal Audit staff members and their levels of training & qualification.
- 5) Reviewing the reports submitted by the Bank's Risk Dept. regarding the evaluation of collaterals provided by customers against the financing and credit facilities provided to them.
- 6) Follow-up on the reports submitted by the Risk Dept. including a report from the Permanent Control & Operational Risk Dept., as well as reports submitted by the Head of Compliance for the period ended 31/12/2020.
- 7) Reviewing the reports prepared by the Head of Legal Dept. on the legal risks facing the bank, and the results of legal cases.
- 8) Reviewing the reports submitted by the External Auditors for the F/Y ended 31/12/2020.

Key Decisions & Recommendations of the Audit Committee:

- 1- The Audit Committee approved the Financial Administration's proposal to reappoint Mostafa Shawky – MAZARS and Ernst & Young (EY) as the Bank's joint External Auditors for the F/Y 2021, and approved the estimated fees in this regard. As for the additional special tasks submitted by the Financial Administration Dept., the Committee recommended the Board of Directors to approve them together with the related estimated fees.
- 2- With regard to the additional external audit task related to the management of Interest Rate Risk in the Banking Book (IRRBB) according to Basel accords, the Audit Committee approved the two external audit offices proposed by the Financial Administration Department, and also approved the prescribed fees related to this task up to a maximum determined by the Committee.

- 3- The Committee reviewed the report of the Internal Audit Department of the Bank on the follow-up of the audit recommendations to improve the internal control environment of the Bank.
- 4- The Committee reviewed and approved the updated and detailed position of the Audit Plan for 2020, and it also approved the Internal Audit Department's reports on the audit missions performed during the year 2020.
- 5- The Audit Committee approved the annual report on the Committee's Activity for the year 2020.
- 6- The Committee reviewed the reports submitted by the CRO of the Bank about reviewing the values of collaterals provided by customers against the financing and credit facilities granted to them.

Paul Carite

**Chairman of Audit Committee
& Member of Board**

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