

**Main Highlights of CAE's Audit Committee
Meeting held on 10 February 2020**

The Audit Committee Meeting was held on Monday 10th February 2020 at 10:00 am.

The meeting was attended by:

Mr. Paul Carite	Non-Executive Board Member – Chairman of Committee
Mr. Assem Ragab	Non-Executive Board Member – Member of Committee
Mrs. Mona El-Baradei	Non-Executive Board Member – Member of Committee

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. Ahmed Ibrahim	Partner – Hazem Hassan & Co.
Mrs. Nehal El-Shazly	Ernst & Young
Mrs. Dalia El-Kattan	Hazem Hassan & Co.
Mr. Hany Nassef	Chief Financial Officer “CFO” (CAE)
Mr. Tarek Fouad	Financial Administration (CAE)
Mr. Tamer Ibrahim	Permanent Control & Operational Risk Dept. (CAE)
Mr. Franck Flament	Chief Risk Officer “CRO” (CAE)
Mr. Vincent Gancel	Observer with Expertise – CASA
Mr. Emmanuel Arribat	Observer with Expertise – CASA

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 31/12/2019, including a description of relationship with the related parties and the financial analysis of the CAE's subsidiary company EHFC.
- 3) Considering the appointment / reappointment of External Auditors for the F/Y 2020 and the proposals for any additional services required of 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 2019 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 31/12/2019.
- 7) Reviewing the reports prepared by the Head of Legal Dept. on the status of the lawsuits brought against or by the Bank as well as the legal risks, and presenting the reports of the Legal Department in this regard.
- 8) Reviewing the reports submitted by the External Auditors for the F/Y ended 31/12/2019.

Key Decisions taken by the Audit Committee:

- 1- The Audit Committee approved to appoint and reappoint Mostafa Shawky – MAZARS and Ernst & Young (EY), respectively, as the Bank's External Auditors for the F/Y 2020 and the estimated fees in this regard. As for the proposal of additional special tasks submitted by the Financial Administration Dept., it was approved with the estimated fees for such

additional tasks, provided that the Financial Administration Dept. makes sure that it complies with local regulations and laws. The Committee also emphasized the necessity of continued adherence to the local regulations with regard to assigning audits to external offices and obtaining the approval of the Committee before the assignment process.

- 2- The Head of the Branches Network of the Bank shall provide the Audit Committee with the updated position of the plan set up for improving the internal control environment of branches, together with making use of the findings stated in any audit reports on the Bank's branches and circulating them to all the branches.
- 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 regarding the completion of the Audit Plan for 2019, and it also approved the Internal Audit Department's reports on the audit missions performed during the year 2019.
- 5- The Committee approved some amendments to the Audit Plan for the year 2020.
- 6- The Committee reviewed and approved all the information concerning the staff members of the Internal Audit Dept. of the Bank.
- 7- The Audit Committee approved the annual report on the Committee's Activity for the year 2019.
- 8- In cooperation with the Correspondent Banking Dept., the Head of Compliance shall provide the Audit Committee with the updated position of the action plan of updating the KYC form of banks, and ensure completion of such update within the due date thereof.
- 9- 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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