

Main Highlights of CAE's Audit Committee
Meeting held on 30th January 2018

The Audit Committee Meeting was held on Tuesday 30th January 2018 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
Mr. Hassan Hegazy	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. Sameh Moustafa	Head of Compliance (CAE)
Mr. Ehab Azer	Partner – Ernst & Young
Mr. Ahmed Ibrahim	Partner – Hazem Hassan & Co.
Mrs. Pascale Bohn	Chief Financial Officer "CFO" (CAE)
Mr. Ayman Fawzy	Financial Administration (CAE)
Mr. Franck Flament	Chief Risk Officer "CRO" (CAE)
Mrs. Cecil Bennehard	Director (Credit Agricole Group "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 31/12/2017, 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 2018 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 2017 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 presenting the details 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 Department of Permanent Control & Operational Risk, as well as reports submitted by the Head of Compliance for the period ended 31/12/2017.
- 7) Reviewing the reports Head of Legal Dept. on the status of the lawsuits brought against or by the Bank and presenting the recommendations of the Legal Department in this regard.
- 8) Reviewing the reports submitted by the External Auditors for the F/Y ended 31/12/2017.

Key Decisions taken by the Audit Committee:

- 1) The Corporate Banking Head shall provide the Audit Committee with the updated position of the action plans and the recommendations necessary to complete obtaining some documents for a group of credit customers.
- 2) The Head of the Branches Network of the Bank shall provide the Audit Committee with a study that includes the updated position of the training programs provided to the staff of the

branches. This study shall include the development in the mechanisms designed to benefit from the employees having experience and excellence in performance.

- 3) The Audit Committee approved the reappointment of the Bank's External Auditors for the F/Y 2018 and the additional services charged to them and their fees as well.
- 4) 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.
- 5) The committee reviewed and approved all the information concerning the Internal Audit staff members, including the levels of training and qualification of the employees to perform all the tasks assigned to them.
- 6) The Audit Committee approved the annual report on the Committee's Activity for the year 2017, which is submitted to the Board of Directors of the Bank for ratification.
- 7) The Head of Compliance of the Bank shall provide the Audit Committee with the results of the risk assessment for one of the compliance programs applied in cooperation with Credit Agricole Group in France.
- 8) The Head of Permanent Control Dept. shall present the updated risk assessment position for all branches and departments of the Bank.
- 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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