

**Main Highlights of CAE's Audit Committee
Meeting held on 30th January 2019**

The Audit Committee Meeting was held on Wednesday 30th January 2019 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. Mohamed Ragaie	Deputy Head of Compliance
Mr. Ehab Azer	Partner – Ernst & Young
Mr. Sherif Abdel-Fadeel	Partner – Hazem Hassan & Co.
Mrs. Nehal El-Shazly	Ernst & Young
Mrs. Pascale Bohn	Chief Financial Officer “CFO” (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 31/12/2018, 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 2019 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 2018 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 31/12/2018.
- 7) Reviewing the reports prepared by the Head of Legal Dept. on the status of the lawsuits brought against or by the Bank 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 31/12/2018.

Key Decisions taken by the Audit Committee:

- 1- The Head of Compliance shall provide the Audit Committee with the results and impact of the application of an upgraded version of the Compliance software (USLCP & FFF) applied in cooperation with CASA.

- 2- The Audit Committee approved the reappointment of the Bank's External Auditors for the F/Y 2019 and the additional services charged to them and their fees as well.
- 3- The Head of Internal Audit shall provide the Audit Committee, at its following meeting, with the updated status in March 2019 in terms of follow-up of implementing the recommendations of the Audit Reports, particularly the current recommendations being implemented.
- 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.
- 6- The Audit Committee approved the annual report on the Committee's Activity for the year 2018.
- 7- 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.

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