

Main Highlights of CAE's Audit Committee Meeting held on 24th July 2016

The Audit Committee Meeting was held on Sunday 24th July 2016 at 10:00 am.

The meeting was attended by:

Mr. Assem Ragab	Non-Executive Board Member – Chairman of Committee – (Represented by Mr. Hassan Hegazy – by Proxy)
Mr. Hassan Hegazy	Non-Executive Board Member – Member of Committee
Mr. Mazen Manaa	Non-Executive Board Member – Member of Committee – (He apologized for not being able to attend.)

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. Jerome Legrain	Chief Risk Officer “CRO” (CAE)
Mr. Tamer Abdel-Tawab	Partner – PricewaterhouseCoopers
Mr. Wessam El-Sayed	Manager – PricewaterhouseCoopers
Mr. Ahmed Ibrahim	Partner – Hazem Hassan & Co.
Mrs. Pascale Bohn	Chief Financial Officer “CFO” (CAE)
Mr. Tarek Fouad	Financial Administration (CAE)
Mr. Mohamed Moukhtar	Financial Administration (CAE)
Mr. Ayman Fawzy	Financial Administration (CAE)
Mrs. Cecil Bennehard	Director (Credit Agricole Group “CASA”) (She apologized for not being able to attend)
Mr. Jean-Philippe Laval	Director (Credit Agricole Group “CASA”) “Via Phone Conference”

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) Studying the Bank's financial statements for the period ended 30/6/2016, including the financial analysis of the Bank's subsidiary company "EHFC".
- 3) Reviewing the report issued by the Internal Audit Department of the Bank including the audit missions fulfilled in Q2 of the year 2016 and following up the part performed out of the Audit Plan for 2016, the Internal Audit Dept.'s assessment of different branches and departments during Q2 of the year, the main recommendations of the Internal Audit Dept. for monitoring and improving the Bank's Internal Control Environment and maintaining the Bank's assets, as well as submitting the data of the Internal Audit staff & their levels of training and qualification.
- 4) 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.
- 5) 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 30/6/2016.
- 6) Reviewing the reports of Head of Legal Dept. on the litigation status of the lawsuits brought against or by the Bank and presenting the recommendations of the Legal Department in this regard.
- 7) Reviewing the reports submitted by the External Auditors for the period ended 30/6/2016.

Key Decisions taken by the Audit Committee:

- 1) The CFO shall update the Audit Committee with a detailed statement showing the results of the action plan set for improving the controls of the periodic regulatory reports, together with urging the process of finishing the development of these reports.
- 2) The Head of Financial Control shall provide the Audit Committee with an updated study on the extent of the progress in the Internal Control Procedures applied to the financial statements and the reconciliations thereof.

- 3) The CFO and the CRO shall provide the Audit Committee with the updated status regarding the bases followed for applying the ICCAP.
- 4) The Head of Compliance shall provide the Audit Committee with the updated position regarding the control procedures applied to make sure of adherence to the rules, regulations and procedures of a compliance program.
- 5) The Head of IT Dept. shall provide the Audit Committee with the updated status related to the rectification plan of an IT program.
- 6) 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.
- 7) The Head of Compliance shall provide the Audit Committee with the updated position of the action plan of updating the KYC forms, and providing the Audit Committee – on a regular basis – with the results of the action plans set to update the forms on the due date.
- 8) The Proximity Banking Head – Development and Innovation shall update the Audit Committee with the status of the International Spend Limits of credit & debit cards issued by the Bank.
- 9) In coordination with the concerned departments, the CRO shall provide the Audit Committee with the updated position of the action plan set for completion of some credit documents related to a group of customers.
- 10) 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.

Hassan Hegazy

On behalf of

Mr. Assem Ragab (Chairman of Audit Committee)

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