

Main Highlights of CAE's Audit Committee
Meeting held on 13th November 2017

The Audit Committee Meeting was held on Wednesday 13th November 2017 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. Dina Waheeb	Deputy CRO
Mr. Jean-Philippe Laval	Director (Credit Agricole Group “CASA”)
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) Studying the Bank's financial statements for the period ended 30/9/2017, 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 Q3 of the year 2017 and following up the part performed out of the Audit Plan for 2017, the Internal Audit Dept.'s assessment of different branches and departments during Q3 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 30/9/2017.
- 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 30/9/2017.

Key Decisions taken by the Audit Committee:

- 1) The Head of Internal Audit shall proceed with following up the implementation of the rectification plan related to an audit report.
- 2) In cooperation with the CRO, the Head of Corporate Banking shall provide the Audit Committee, within a month, with the updated status of completion of some documents related to a group of credit customers and updating the credit studies on the due dates.
- 3) The Head of Internal Audit shall continue monitoring the implementation of the rectification plan for an audit report on the IT system.

- 4) The Head of Branches Network shall provide the Audit Committee with the updated position of the plan set up for making use of the findings mentioned in the Audit Reports on the Bank's branches and circulate them to the branches to avoid such findings in the future.
- 5) The Audit Committee approved the Risk-Based Audit Plan for 2018.
- 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 status of the Action Plan of updating the KYC Form.

Paul Carite

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

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