

Main Highlights of CAE's Audit Committee Meeting held on 31 July 2023

The Audit Committee Meeting was held in Cairo on Monday, 31 July 2023, at 10:00 a.m.

The meeting was attended by:

Dr. Adel Danish	Non-Executive Board Member – Audit Committee Chairman
Mr. Didier Reboul	Non-Executive Board Member – Audit Committee Member (Attended through Video Conference)
Mr. Nicolas Tavernier	Non-Executive Board Member – Audit Committee Member (Represented by Mr. Didier Reboul by Proxy)

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 Dept. (CAE)
Mr. Mohamed El-Sawaf	Partner – (PWC)
Mr. Mohamed Maarouf	Partner – Mazars, Mostafa Shawky & Co.
Mr. Ravinarayanan Iyer	Chief Financial Officer “CFO” (CAE)
Mr. Ayman Fawzy	Head of Accounting, CBE & Statutory Reporting – Finance Dept. (CAE)
Mr. Franck Flament	Chief Risk Officer “CRO” (CAE)
Ms. Dina Waheeb	Deputy Chief Risk Officer (CAE)
Mr. Haytham Abdel-Hakim	Head of Operational Risk & Permanent Control
Mr. Emmanuel Arribat	Observer with Expertise – CASA (Attended through Video Conference)

The following are the key topics 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 30/6/2023.
- 3) Reviewing the Internal Audit Dept.'s reports including the audit missions performed in the second quarter of the year 2023; following up the executed part of the Audit Plan for 2023; the Internal Audit Dept.'s assessment of the branches & departments during Q2 of the year;

the key recommendations of the Internal Audit Dept. to monitor and improve the internal control environment & maintaining the Bank's assets, and discussing the data of the Internal Audit Department's staff, their levels of training and qualification.

- 4) Presentation of 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 30/6/2023.
- 5) Reviewing the reports prepared by the Head of Legal Dept. on the status of the legal risks facing the bank and the results of internal legal-investigations.
- 6) Discussing the External Auditors' opinion on the financial statements prepared for the period ended 30/6/2023.

Key Decisions taken by the Audit Committee:

- 1- The Audit Committee stressed that the internal control reports submitted to it by the Bank's Compliance Department should include the evolution of the results of the controls placed in comparison with previous periods to determine the extent of their improvement. In case of non-improvement of any of those results, a detailed analysis should be submitted to the Audit Committee in this regard.
- 2- The Chief Information Officer (CIO) should present the updated status to the upcoming Audit Committee on the action plans put in place to expedite the implementation of some of the external audit's recommendations.
- 3- The Audit Committee reviewed and approved the CAE Internal Audit Department's report regarding following up the Internal Audit's recommendation to improve the internal control environment in the Bank.
- 4- The Audit Committee reviewed and approved the CAE Internal Audit Department's report on the Recovery Plans, and also the Internal Audit's report on an initiative of the Central Bank of Egypt (CBE).

- 5- Audit Committee expressed their non-objection to the proposal submitted by the Internal Audit Department regarding conducting the External Quality Assurance mission, along with the related fees estimated for it.
- 6- The Audit Committee approved the update made to some work procedures of the Internal Audit Department, and also approved the updated Audit Committee's Charter.
- 7- The Audit Committee approved the KPIs of assessing the performance of the CAE Internal Audit Department for H1-2023, along with the policies and criteria applied in preparation of those KPIs.
- 8- The Audit Committee approved the training plan of the Internal Audit Department's staff.
- 9- The Head of Compliance Dept. of the Bank should present the updated status to the upcoming Audit Committee on the action plans put in place to expedite the implementation of some of the CBE's recommendations.
- 10- The Head of Compliance Dept. of the Bank should present the updated status to the upcoming Audit Committee regarding the implementation of some of the CBE's regulations.
- 11- The Head of Compliance Department should submit the status of updating the KYC Form of some customers to the next meeting of the Audit Committee.
- 12- In coordination with the Training & Development Department, the Head of Compliance Department should present the updated status of providing the CAE staff with some training programs.

Dr. Adel Danish

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

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