



Emirates NBD Bank PJSC

Terms of Reference of the Board Audit Committee

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1. Definitions

In these Terms of Reference the following words and phrases shall have the meanings assigned to them below:

“AML/CFT”	means Anti Money Laundering/Combating the Financing of Terrorism;
“AML/CFT Law”	Decree Federal Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations;
“Bank”	means Emirates NBD Bank PJSC;
“Board”	means the Board of Directors of the Bank;
“Central Bank”	means the Central Bank of the United Arab Emirates;
“Corporate Governance Regulations”	means all applicable regulations and standards on corporate governance, including, but not limited to, the Central Bank’s Corporate Governance Regulation and Standards for Banks and the Securities & Commodities Authority (SCA) Public Joint-Stock Companies Governance Guide (and their amendments from time to time);
“Chairman”	means the Chairman of the Board Audit Committee;
“Committee”	means the Group’s Board Audit Committee;

“Director”	means a member of the Board;
“External Audit Regulations”	means the Financial Reporting and External Audit Regulations 162/2018;
“GCAO”	means the Group Chief Audit Officer
“GCCO”	means the Group Chief Compliance Officer
“GCEO”	means the Group Chief Executive Officer;
“GCFO”	means the Group Chief Financial Officer
“Group”	means a group of entities which includes the Bank and (a) any subsidiary of the Bank, and (b) any affiliate and joint venture of the Bank;
“Independent Director”	means a Director who is assessed as independent pursuant to the Central Bank of UAE Corporate Governance Regulations and Standards;
“Internal Control Regulations”	means the Internal Controls, Compliance and Internal Audit Regulations 161/2018 and the Internal Controls, Compliance and Internal Audit Standards 161/2018;
“Internal Shari’ah Supervisory Committee / ISSC”	means a body appointed by the Bank, which comprises of scholars specialized in Islamic financial transactions, which independently supervises transactions, activities, and products of the Bank and ensures they are compliant with Islamic Shari’ah in all its objectives, activities, operations, and code of conduct;
“Non-Executive Director”	means a Director who does not have any management responsibilities within the Bank, and may or may not qualify as an Independent Director;

“Senior Management”

means the executive management of the Bank responsible and accountable to the Board for the sound and prudent day-to-day management of the Bank; and

“Staff”

means all persons working for the Bank, including the members of Senior Management, except for the members of the Board.

2. Purpose

2.1. The purpose of the Committee is to enable the Board to fulfil its responsibilities in relation to the oversight of:

- 2.1.1. the qualifications, independence and performance of the Group’s external auditors;
- 2.1.2. the qualifications, independence and performance of the Bank’s Group Internal Audit, Group Compliance and Internal Shari’ah Audit and Internal Shari’ah Control departments;
- 2.1.3. the Group’s internal control system to ensure it is adequate to establish a properly controlled operating environment for the conduct of the Group’s business, taking into account the Group’s internal controls over financial reporting and disclosure;
- 2.1.4. Evaluating the adequacy and effectiveness of the corporate governance environment; and
- 2.1.5. the Group’s compliance with applicable legal and regulatory requirements (including Shari’ah regulations), and with the Group’s policies (unless specifically delegated to other Board committees).

3. Membership

3.1. The Committee members shall be appointed by the Board, after duly considering the recommendations of the Board Nomination, Remuneration and ESG Committee. Any member of the Committee may be removed or replaced at any time by the Board.

The Committee shall consist of a minimum of three (3) and maximum of five (5) Non-Executive or Independent Directors and collectively have experience in audit practices, financial reporting, accounting and compliance. At least one of the Committee members may also be a member of the Board Risk Committee to ensure a good flow of information between them and effective coverage of the Group’s risk approach.

3.2. The members of the Committee shall elect from among its members a Chairman who shall be an Independent Director and distinct from the chairman of the Board and the chairs of other committees. The chairman of the Board may not be a member of the Committee.

3.3. Any previous partner of the current external auditor of the Group may not be a member of the

Committee for one year commencing on the expiry date of their capacity as partner or any of their financial interests in the independent audit firm, whichever comes later.

- 3.4. The GCAO shall be the permanent invitee from Senior Management to attend the Committee's meetings. The GCAO may, with the agreement of the Committee's Chairman, invite members of the Senior Management and Staff, or third parties, to attend certain items being presented.
- 3.5. The GCCO, the Head of Internal Shari'ah Audit, the Head of Shari'ah Control and the external auditor shall have the right of direct access to the Committee.
- 3.6. The GCCO shall be a permanent invitee at the Committee. The GCCO will be required to attend periodic Committee meeting and present to the Committee on agenda related to compliance related matters.
- 3.7. Other Attendees may include GCEO, GCFO and members of ISSC (for Shari'ah related matters).
- 3.8. The Committee members shall be appointed for an initial period of three (3) years. Following expiration of that period, the Committee member may be re-appointed by the Board, provided that such appointment does not compromise the Corporate Governance Regulation's independence requirements.
- 3.9. Retirement/Resignation:
 - a) A member of the Committee who wishes to retire or resign should provide sufficient written notice to the Committee so that a replacement may be appointed in a reasonable timeframe; and
 - b) In the event of any vacancy in the Committee due to retirement or resignation, the Committee shall fill the vacancy not later than three (3) months.

4. Administration

4.1. Meetings

- 4.1.1. Meetings of the Committee shall be held at the head office of the Bank, by means of telephone or video-conference, or at any other place deemed appropriate by the Committee. Meetings shall take place at least once in every three months. Meetings

shall be convened upon a written notice of the Chairman or the Committee's Secretary, upon the Chairman's instructions. Committee meetings may also be convened by the Chairman on the request of the GCAO, GCCO or the external auditors, if they consider it necessary, or by the Committee's Secretary on the request of two (2) members of the Committee. The chairman of the Board, the GCEO, the GCFO may also request meetings through the Committee's Secretary, who shall consult with the Chairman to determine whether a meeting should be convened.

- 4.1.2. Meetings of the Committee shall be held before board meetings and finalization and release of the Group's financial statements.
- 4.1.3. The Committee's Secretary shall develop the agenda for each Committee meeting for approval by the Chairman, with the contribution from the GCAO, the GCCO and, where appropriate, other members of Senior Management. Key agenda items to include:
 - a) Minutes of the previous meeting
 - b) Quarterly Financial results
 - c) Internal Audit Board Audit Committee reports
 - d) Board Audit Committee quarterly update to the Board
 - e) Group Compliance quarterly update
 - f) Shari'ah Supervision, Compliance and Audit Update
- 4.1.4. Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, along with supporting papers shall be forwarded to each member of the Committee at least seven (7) business days in advance of the scheduled meeting unless otherwise approved by a majority decision by the Committee Majority
- 4.1.5. Majority of the members shall attend all meetings in person (physical attendance and by audio-visual means) and shall not be represented in the meetings by proxy from other members for constitution of quorum.

4.2. Resolutions

- 4.2.1. Resolutions of the Committee shall be adopted by a majority of votes of members present. In the event of a tie, the Committee's Chairman shall have a casting vote.
- 4.2.2. Without prejudice to the above clause, the Committee may exceptionally take some decisions based on resolutions by circulation, provided that:
 - a) members unanimously agree that the case that necessitates a resolution by circulation is urgent;
 - b) the resolutions are delivered to the members in writing (which may include delivery by email) and accompanied by all the supporting documents and papers as necessary for reviewing it;

- c) any resolution made through by circulation must be unanimously agreed upon by the members and must be submitted to the succeeding meeting of the Committee to be included in the minutes of such meeting; and.
- d) Non-members attending the meeting will not have voting rights. Moreover, voting by proxy shall not be considered

4.2.3. Decisions taken and resulting action points shall be promptly communicated to the relevant Executive or Senior Management stakeholders along with deadlines and reporting expectations.

4.3. Minutes

4.3.1. Minutes of Committee meetings shall be recorded and signed by the members attending the meeting and the Committee's Secretary. The meeting minutes shall include details of issued discussed, recommendations made, decisions taken, dissenting opinions and the person responsible for completion of tasks discussed at the Committee meeting. In case one of the members refuses to sign, his objection shall be recorded in the minutes together with the reason(s) for their objection, if given, and a copy of the minutes.

4.3.2. Drafts of the minutes of Committee meetings shall be circulated to the members for comments, which shall be incorporated and approved by the Committee at the subsequent Committee meeting.

4.3.3. Final copies of the meeting minutes shall be:

- a) signed by attending Committee members (digital or wet ink signature accepted);
- b) submitted to the Board for consideration at the next Board meeting;
- c) submitted to the Board Secretariat for filing; and
- d) published on the Bank's Board portal.

4.3.4. A member of the Bank's Board Secretariat department shall act as the Committee's Secretary.

5. Reporting

5.1. The Committee shall report to the Board and will provide periodic updates on matters which have been delegated to the Committee herein. The Committee shall, where appropriate, make recommendations for action by the Board at their next meeting subsequent to that of the Committee.

5.2. The Committee shall submit a written report to the Board specifying with absolute transparency its actions, findings and recommendations. The report shall be submitted quarterly, or more frequently as and when requested by the Board.

5.3. The Committee shall make short presentations to the Board, as and when required by the Board.

6. Powers of the Committee

6.1. The Committee shall have the appropriate authority to discharge its duties and responsibilities, as set out in these Terms of Reference and to sub-delegate those duties and responsibilities as it considers appropriate, provided that such sub-delegation is notified to the Board at its next meeting. All sub-delegation granted before the date of adoption of these Terms of Reference shall remain in place.

6.2. The Committee is specifically empowered to:

6.2.1. institute or authorise investigations into any matter; and to resolve any disagreements between the management and auditors (internal or external) regarding audit findings, financial reporting and investigations.

6.2.2. seek information from any Staff member; and in addition, the Committee has full access to the books, records, and facilities of ENBD Group.

6.2.3. appoint or retain external independent professionals and consultants for advising or assisting the Committee on legal, accounting, or other matters to the extent it deems necessary or appropriate.

7. Responsibilities

7.1. External Auditors

7.1.1. The Committee shall establish the Group's policies for the selection and rotation of the external auditors and, by following this process, shall recommend the appointment, reappointment, dismissal and compensation of the external auditors to the Board for approval.

7.1.2. The Committee shall review and agree the terms of engagement of the external auditor prior to their confirmation and review and recommend the fees to be paid to the external auditors to the Board for approval.

7.1.3. The Committee shall make recommendations on the rotation of the external audit firm, or of the partner of the firm in charge of the Group's external audit in line with the Central Bank's regulations, to ensure the independence of the external auditors.

7.1.4. The Committee shall review with Senior Management and the external auditors:

a) the audit plan and scope prior to commencement of an audit to ensure it reflects changes in the size, business mix, or complexity of the Group or the instruction of the Central Bank;

b) the external auditor's qualitative judgments about the appropriateness of accounting principles and financial disclosures;

c) the external auditor's opinion on the effectiveness of the Group's internal controls

over financial reporting;

- d) any changes to the Group's accounting and financial reporting that are recommended by management or by the external auditors;
- e) the adequacy of the Group's provisioning, including the accounting treatment of significant risks and uncertainties including manual (i.e. not model driven) IFRS9 staging overrides;
- f) key estimates and judgments of management that may be material to the Group's financial reporting;
- g) significant auditing and financial reporting issues discussed during the period, and their resolution;
- h) any serious difficulties or disputes with management encountered during the course of the audit; and
- i) any significant findings and recommendations made by the external auditors, together with management's responses to them.

7.1.5. The Committee shall:

- a) monitor the effectiveness, independence and objectivity of the external auditor, consider whether the external auditor followed the audit plan, obtain feedback on the external audit from Senior Management and report to the Board on any matters that, in the Committee's opinion, require action and provide recommendations on the necessary steps;
- b) assess the external auditor's effectiveness at least annually. In monitoring the work of the external auditor, the Committee must obtain the external auditor's view on any significant matters arising during the audit, including those resolved and those outstanding. The Committee must also review the statements provided by the Board and Senior Management in the representation letter to the auditor and consider whether the information is complete and appropriate;
- c) ensure the Committee meets with the external auditor in the absence of Senior Management to discuss any issues that may have arisen between the external auditor and Senior Management and how these should be resolved;
- d) discuss with the external auditor, any matters arising from the audit that may have an impact on regulatory capital or regulatory disclosures;
- e) obtain observations from the external auditor arising from the audit that are relevant to the Committee's oversight responsibility for the financial reporting process, including any information on significant difficulties encountered during the audit, areas of significant risk or material misstatement in financial statements, areas of significant management misjudgment, use of external experts to assist with the audit, significant internal control deficiencies noted, the extent to which the external auditor has used the Internal Audit;

- f) oversee matters related to accountability, significant qualitative aspects of financial statement disclosures and provide feedback on the external auditor's relationship with Senior management; and
- g) ensure the timely action by the Bank relating to matters contained in the external auditor's letters.

7.1.6. The Committee shall conduct a post-audit discussion to ascertain areas of any concerns. The Committee shall review the external auditors' management letter and ensure appropriate corrective actions by Senior Management.

7.2. Non-audit work performed by external auditors

7.2.1. The Committee shall monitor the provision of non-audit services by the external auditor and ensure that the external auditor does not carry out any additional work for the Bank which is not part of the audit program if it may affect their impartiality and independence.

7.2.2. Any non-audit work proposed to be carried out by the external auditor shall be subject to the Committee's approval and the Committee shall ensure that appropriate disclosure are included in the Bank's Annual Report.

7.2.3. The Committee shall develop and recommend to the Board a formal policy on the provision of non-audit services by the external auditor, including approval of non-audit services by the Committee and specifying the types of non-audit service to be pre-approved, and assessment of whether non-audit services have direct or material effect on the audited financial statements.

7.3. Financial statements and disclosures

7.3.1. The Committee shall oversee the financial reporting process of the Group and the establishment, review or amendment of significant accounting policies and practices.

7.3.2. The Committee shall:

- a) monitor, and as part of its normal course of activity and after closure of accounts in any quarter, ensure the integrity of the financial statements and the yearly, half-yearly and quarterly reports and in this regard particularly pay close attention to:
 - any changes to the accounting policies and practices;
 - the aspects subjected to Senior Management's judgment;
 - the substantial amendments resulting from the audit;
 - assumptions of business continuity;
 - compliance with the accounting standards; and
 - compliance with legal requirements and regulations as relevant to the

preparation of financial reports.

- b) consider any significant and unusual matters contained or to be contained in such financial reports and accounts and give due consideration of any issues raised by the GCFO (or the person taking up his tasks) or external auditors.

7.3.3. The Committee shall review with the GCFO and the external auditors and approve or, if appropriate, recommend for approval by the Board before the Bank publicly discloses the following information:

- a) the annual audited financial statements, together with the report of the external auditors, and the interim unaudited financial statements, together with the interim review report of the external auditors thereon, before they are approved by the Board;
- b) management's discussion and analysis relating to the annual audited financial statements and interim financial statements; and
- c) all financial information in material public disclosure documents including press releases, prospectuses and other public offering documents.

7.3.4. The Committee shall ensure that a process is in place to prevent former employees of external auditors from being employed by the Group in Senior management position or serve on the Board before the lapse of two years from the date of such employees' involvement in the Bank's audit.

7.4. Group Internal Audit

7.4.1. The Committee shall establish an independent, permanent and effective Group Internal Audit department appropriate for the size and nature of the Group's business and commensurate with the risks to which the Group is exposed. The Group Internal Audit department must provide independent assurance to the Board and the Committee as to the quality and effectiveness of the internal controls, risk management, compliance, corporate governance, and the systems and processes used throughout the Group.

7.4.2. The Committee shall ensure that the Group Internal Audit department has sufficient independence of audited activities and has a sufficient standing and authority within the Group, thereby enabling the Group Internal Audit department to carry out their assignments without objectivity.

7.4.3. The Committee shall ensure that the Group Internal Audit function has full access to and communication with any member of staff as well as full access to records, files or data of the Group, whenever relevant to the performance of its duties.

7.4.4. The Committee shall ensure the Bank has an Internal Audit Charter approved by the Committee that articulates the purpose, standing and authority of the Group Internal Audit Department within the Group. The GCAO shall review the internal audit charter, annually, to ensure accuracy and continuing relevance, and confirm this to the Board Audit Committee (BAC). Any proposed amendments to the charter are subject to BAC

formal approval.

- 7.4.5. The Committee shall annually confirm and assure the independence of the Internal Audit department. The Committee shall have responsibility and authority to appoint and, where necessary, remove, the GCAO. As required by the CBUAE Internal Control Standards, the Committee shall ensure that the person appointed is a person holding sufficient qualifications knowledge, experience, integrity and seniority in the Bank, such that they can credibly challenge all business units and provide the support required, and that the person appointed ensures that the Internal Audit function complies with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. The GCAO holds at least 5 years in auditing of banking or financial business.
- 7.4.6. The Committee shall also have the responsibility and authority to conduct the performance evaluation and set remuneration levels for the GCAO .
- 7.4.7. The Committee shall review the coordination of the internal and external audits with the Internal Audit department and the external auditors, to assure completeness of coverage, to reduce redundancy and to make effective use of audit resources.
- 7.4.8. The Committee shall ensure an annual review of the performance of the Bank's Internal Audit department and every five years an external quality assurance review will be carried out.
- 7.4.9. The Committee, together with Senior Management and the GCAO, shall annually review and assess:
- a) any changes (cancellation and replacement of audits) to audit plan during the year;
 - b) any significant findings during the period and management's responses to them;
 - c) any difficulties the Internal Audit department encountered while conducting audits, including any restrictions on the scope of their work or access to required information;
 - d) the Internal Audit department's staffing to ensure the staff within the department is sufficient, competent and collectively have the appropriate experience to understand and evaluate all of the business activities, support and control functions of the group;
 - e) internal audit reports, investigations or special project assignments, including the response and follow up by Senior Management to ensure effective actions are taken to address internal audit findings, particularly any control weaknesses or deficiencies in risk management and compliance;
 - f) the effectiveness of the Internal Audit department including compliance with the Institute of Internal Auditors' Standards for Professional Practice of Internal Auditing;
 - g) results of annual internal quality assurance program of the Internal Audit department's activities; and

h) Oversight over any Internal Audit activities which have been outsourced.

7.4.10. The Committee shall approve:

- a) annual risk-based internal audit plan, schedule and scope;
- b) the changes (cancellation and replacement of audits) to audit plan during the year;
- c) the Group Internal Audit's budget;
- d) organisation structure, staffing of the Group Internal Audit;
- e) the Internal Audit Charter and key changes to the Group Internal Audit manual; and
- f) Outsourcing/co-sourcing of any Internal Audit activities to specialised external parties.

7.4.11. The Committee shall, as deemed appropriate, meet separately with the GCAO to discuss any matters the Committee or internal audit believe should be discussed in private

7.5. Group Compliance

7.5.1. The Committee shall establish an independent, permanent and effective Group Compliance department appropriate for the size and nature of the Group's business and commensurate with the risks to which the Group is exposed.

7.5.2. The Committee shall ensure that the Staff within the Group Compliance department are sufficiently competent and collectively have the appropriate experience within the Bank to ensure that compliance risks within the Group are managed effectively.

7.5.3. The Committee will ensure that the Bank's approach to compliance is Group wide and that compliance is part of the culture of the Bank. The Committee will also require that the Group Compliance department and the Shari'ah Control function are familiar with, and adhere to, the Internal Control Regulations.

7.5.4. The Committee shall receive and approve the organizational structure, resource requirements and related financial budgets for the Group.

7.5.5. The Committee has been delegated by the Board to review and approve the Group's compliance programs and monitor their ongoing implementation to assess the extent to which the Group is managing its compliance risks effectively. Where necessary, the Committee shall recommend changes to the programs to the Board.

7.5.6. The Committee shall review and assess the annual Compliance Monitoring Plan and Compliance initiatives to ensure that all key risk areas are covered and at the appropriate frequencies

7.5.7. The Committee shall review compliance reports from regulators and oversee implementation of recommendation/actions plans arising from such review.

- 7.5.8. The Committee shall review the effectiveness of the system for monitoring compliance with legal and regulatory requirements, and the results of management action relating to any instances of non-compliance.
- 7.5.9. The Committee shall obtain regular reports from both Senior Management regarding compliance matters and the Bank's Compliance department regarding adherence to applicable laws, regulations, compliance related policies, agreements and major legislative and regulatory developments. At minimum, the Committee shall review the following:
- a) results of Compliance Monitoring activity and regulatory changes; and where necessary, provide direction to management on timeliness of required actions;
 - b) summaries of any material breaches or deficiencies and any corrective measures to remedy these breaches and deficiencies; and
 - c) details of corrective measures already taken.
- 7.5.10. The Committee shall work closely with the Board Risk Committee to ensure the Group has robust AML/CFT policies, procedures and controls for combating AML/CFT in line with the relevant AML/CFT regulations. The Committee shall monitor compliance with the AML/CFT policies on a Group-wide basis and ensure that expectations regarding the responsibilities and accountability of all Staff in relation to these policies are clearly communicated.
- 7.5.11. The Committee must assess, at least annually, the performance of the compliance function. This must include an independent external quality assurance review of the compliance function at least once every five years
- 7.5.12. The Committee shall review and approve the appointment, replacement or dismissal of the GCCO.
- 7.5.13. As deemed appropriate, the Committee shall meet separately with the GCCO to discuss any matters the Committee or the Compliance function believe should be discussed in private.
- 7.5.14. The Committee shall report promptly to the Board on any self-identified material compliance failures or shortcomings (any serious failures that may result in a significant risk of legal actions, regulatory sanctions, material financial loss, or loss to reputation) and provide recommendations to remediate the shortcomings.

7.6. System of internal controls

- 7.6.1. The Committee shall annually review the effectiveness of the Group's internal control

processes and systems, including information systems, and technology security and control by means of:

- a) periodic discussions with Senior Management;
- b) review of the evaluations of internal controls made by Senior Management, internal auditors and external auditors;
- c) ensuring Senior Management has promptly followed up on recommendations and concerns expressed by internal auditors and the Central Bank of any identified internal control weaknesses; and

7.7. Shari'ah governance

7.7.1. The Committee shall assess the effectiveness and adequacy of Internal Shari'ah audit and its contribution in ensuring the Bank's compliance with Islamic Shari'ah across the Group, including international locations. The Committee's responsibilities shall include the following:

- a) Receive and approve the terms of reference, organizational structure, resource requirements and related financial budgets for Sharia'h audit activities across the group.
- b) Approve the appointment of the Head of Shari'ah Internal Audit, as well as the removal, promotion, bonus and assessment of the performance of the Head of Shari'ah Internal Audit and the staff in consultation with the ISSC;
- c) Review and assess the annual Shari'ah audit plan in consultation with the ISSC;
- d) Receive and review Shari'ah audit reports at least half yearly and where necessary, provide direction to management on timely rectification of high risk issues highlighted;
- e) As deemed appropriate, meet separately with the Head of Internal Shari'ah Audit to discuss any matters the Committee or Shari'ah audit believe should be discussed in private;
- f) Review the effectiveness of the Shari'ah audit function and ensure that it has appropriate standing within the group;
- g) Facilitate the work of the Internal Shariah Audit Department; and
- h) Evaluate the effectiveness of Bank's policies designed to monitor compliance with Islamic Shari'ah

7.7.2. The Committee shall assess the effectiveness and adequacy of Shari'ah Control and its contribution in ensuring the Bank's compliance with Islamic Shari'ah across the Group, including international locations. The Committee's responsibilities shall include the following:

- a) Receive and approve the terms of reference, organizational structure, resource requirements and related financial budgets for Sharia'h Control activities across the group.
- a) Approve the appointment of the Head of Shari'ah Control, as well as the removal, promotion, bonus and assessment of the performance of the Head of Shari'ah Control and the staff in consultation with the ISSC;

- b) ;
- c) Review and assess the Shari'ah Control initiatives to ensure that all key risk areas are covered and at the appropriate frequencies.
- d) Receive and review results of regulatory changes at least quarterly; and where necessary, provide direction to management on timeliness of required actions.
- e) As deemed appropriate, meet separately with the Head of Shari'ah Control to discuss any matters the Committee or the Shari'ah Control function believe should be discussed in private.
- f) Review the effectiveness of the Shari'ah Control function and ensure that it has appropriate standing within the group.

7.7.3. The Committee shall, where required or applicable, review the scope, results, and adequacy of the external Shari'ah audit review. The Committee's responsibility in this case shall be the following:

- a) Facilitate the work of the external Shari'ah auditor;
- b) Review the reports prepared by the external Shari'ah auditor to ensure that Senior management have taken all necessary measures in this regard; and

7.7.4. The Committee may invite a member of the Internal Shari'ah Supervision Committee to attend its meetings when discussing the internal Shari'ah audit report to ensure the Bank's compliance with the resolution of the Internal Shari'ah Supervision Committee concerning the report. The Committee and the member of the Internal Shari'ah Supervision Committee shall not be authorized to change the resolution in this regard.

7.8. Responsibilities with regard to Subsidiaries

7.8.1. Review findings in relation to each of the subsidiaries, in examinations conducted by regulatory authorities (Central Bank / Government Auditors) and evaluate the adequacy and timeliness of management action.

Where required, recommend the response to be provided by the Board to such authorities.

7.8.2. Review issues arising out of subsidiaries through Group Internal Audit and Group Compliance.

7.8.3. Assess the effectiveness and performance of Subsidiary Board Audit Committees through review of Group level reports presented to the Committee which cover subsidiary activity. This includes a review of:

- a) Consolidated financials and highlight reports from Group Finance and External Audit.
- b) Group Internal Audit quarterly reports (including special papers covering regulatory/government examination reports and management response; significant incidents and/or emerging issues).
- c) Group Compliance reports
- d) Internal Shari'ah Audit reports

e) Internal Shari'ah Control reports

As a result of these reviews, the Board Audit Committee may direct specific actions that will also impact the subsidiary and the subsidiary Board Audit Committee.

Common membership between subsidiary and Board Audit Committee also provides a natural assessment process.

8. Publicly available information

The following information will be made publicly available, and updated as required, by posting the material on the Bank's website or inclusion in the Bank's annual report:

- a) the Committee's Terms of Reference;
- b) the names and details of the qualifications of the members of the Committee;
- c) the number of meetings of the Committee;
- d) a description of the Committee's responsibilities and how the responsibilities were fulfilled.
- e) information on procedures for the selection and appointment of the external auditors, and for the rotation of the external auditor firm or partners.

9. Self-Assessment

The Committee shall annually conduct an evaluation of its performance, as prescribed by the Nomination, Remuneration and ESG Committee of the Board and the Audit Committee itself.

10. Review and administration of the Terms of Reference

The Committee shall review this Terms of Reference on a regular basis and at least once every two years and amend it, if and when required, and requesting Board approval for the proposed changes.

These Terms of Reference are dated 25 October, 2023 and supersede any Committee's Terms of Reference or charter previously in force.