

Internal Audit Charter & Manual Addendum

1. Background

This addendum has been created to ensure compliance with UAE laws and regulations and in accordance with GIA guidance.

This addendum should be guided by pertinent rules and instructions and in particular, standards and procedures relevant to the financial services sector in UAE, such as Central Bank of UAE Corporate Governance Regulation 83/2019, and Central Bank of UAE Internal Controls Regulation 161/2018.

2. Governance and Reporting Structure:

- UAE Internal Audit should report to a level within the Bank that allows them to accomplish their responsibilities, gain the co-operation of auditee management and perform its work free from interference. The UAE Head of Internal Audit reports functionally to the Head of Group Internal Audit and administratively to the Country Manager.
- UAE internal audit has unrestricted access to GIA resources at any time. This enables open communication regarding ongoing matters and the identification of emerging risks, ensuing timely discussions and proactive management.
- Salary and performance appraisals are conducted by GIA management in consultation with the UAE country manager, with a focus on promoting independence in the evaluation process.

3. Scope and Coverage

- The scope of UAE Internal Audit covers all the business operations, ventures, assignments, products, outsourced services, special activities and functional, however some special and complex assessments might requires considering insourcing specific audit services to Group Internal Audit under the supervision and collaboration of UAE internal audit department.
- UAE Internal Audit has full, free and unrestricted rights of access to all Bank's functions or departments, activities, operations, information, records, data files and computer programs, property and personnel.

4. Scope limitation:

Any limitation to the scope and/or any impairment to independency or objectivity should be communicated to the Head of Group Internal Audit.

5. Management Meetings & Oversight:

- Audit meetings are essential for effective communication, coordination, and oversight between Group Internal Audit and Internal Audit Department in UAE. A scheduled, steady, and frequent meetings are held on quarterly basis between Group Internal Audit and UAE Internal Audit Department Head to discuss the overall annual plan

accomplishment level, issues of concern and importance which were raised during the scheduled agenda, incidents which occurred in UAE and the related remedies to ensure proper actions are implemented to prevent reoccurrence, CBUAE issued regulations and communications, UAE Local Laws, and major developments in UAE whether on the bank's or market levels.

- UAE Internal Audit attends Country Management meetings in an advisory capacity, as needed for specific discussions over Internal Audit assessments results and areas of concern.

6. Organization and Responsibilities:

- Risk based audit plan should be developed by UAE Internal audit in collaboration with GIA.
- Proper internal audit services should be delivered by UAE Internal Audit Department to the Arab Bank UAE management and the UAE Internal Audit is accountable to the Group of Internal Audit.
- Audit reports should be reviewed by the Group Internal Audit before issuance.

- 7. Approval and Implementation:** This addendum was reviewed and approved by the Group of Internal Audit on Dec 16, 2024. It will become effective as of Dec 16, 2024.

Approved By: Head of Group Internal Audit-Arab Bank plc