

**OASIS CAPITAL BANK B.S.C (c)
AUDIT COMMITTEE CHARTER**

7 August 2011

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1. Mission

- 1.1 The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Oasis Capital Bank (“the Bank”) to assist the Board in discharging its oversight duties relating to:
 - 1.1.1 The integrity of the Bank’s financial statements and financial reporting process and the Bank’s systems of internal accounting and financial controls¹;
 - 1.1.2 The annual independent audit of the Bank’s financial statements, the engagement of the external auditors and the evaluation of the external auditors’ qualifications, remuneration, independence and performance²;
 - 1.1.3 The appointment of an internal auditor and the regular review of the activities and performance of internal audit function³;
 - 1.1.4 Compliance by the Bank with legal and regulatory requirements, including the Bank’s disclosure controls and procedures⁴;
 - 1.1.5 Compliance with the Bank’s Corporate Governance processes; and
 - 1.1.6 The integrity of the Bank’s systems of internal controls.
- 1.2 Whilst the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Bank’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.
- 1.3 In performing its duties, the Committee will maintain effective working relationships with the Board, management and the external and internal auditors. To perform his/her role effectively, each Committee member will continue to develop and maintain his/her skills and knowledge, including an understanding of the Bank’s business, operations and risks.

2. Authority

- 2.1 The Board authorises the Committee within the scope of its responsibilities to:
 - 2.1.1 Perform activities within the scope of its charter.

1 CBB RB HC 3.2.1(a)

2 CBB RB HC 3.2.1(d)

3 CBB RB HC 3.2.1(e)

4 CBB RB HC 3.2.1(c)

- 2.1.2 Engage independent counsel and other advisors, as it deems necessary to carry out its duties, provided such engagements are justifiable.
- 2.1.3 Have unrestricted access to management, employees and relevant information.
- 2.1.4 In accordance with the Bank's Code of Conduct, address any concerns of employees regarding accounting, internal controls, auditing or legal matters.
- 2.1.5 In accordance with the Bank's Code of Conduct, address any complaints or notice of any reporting violations received by the Bank regarding accounting, internal controls, auditing or legal matters.
- 2.1.6 Be directly responsible for the oversight of the external auditors.
- 2.1.7 Be responsible for the selection and compensation of the external auditors on an annual basis for appointment and approval at the shareholder's meeting including the performance of external auditors and the non-audit services provided by the external auditors⁵. The external auditors shall report directly to the Committee.
- 2.1.8 Investigate any activity within its charter and in the context of investigation:
 - Seek any information that it requires from any employee of the Bank. All employees are directed to cooperate with any request made by the Committee;
 - Obtain outside legal or independent professional advice and such advisors may attend meetings as necessary; and
 - Call any employee to be questioned at a meeting of the Committee as and when required.
- 2.1.9 Be directly responsible for the appointment, retention and oversight of the internal auditors
- 2.1.10 Be directly responsible for reviewing the Bank's financial statements and recommending the financial statements to the Bank's Board for approval.

3. Membership

- 3.1 The Board shall appoint members of the Committee. The Committee shall have at least three members. The members must have no conflict of interest with any other duties for the Bank.
- 3.2 A majority of the members of the Committee including the Chairman should be independent⁶.
- 3.3 The CEO must not be a member of the Committee.

⁵ CBB RB HC Appendix A Committee Duties and Responsibilities

⁶ CBB RB HC Appendix A Committee Membership and Qualifications

- 3.4 Appointments to the Committee shall be for a period of up to three years, which may be extended subject to renewal of the term of office of the relevant Board member.
- 3.5 The members of the Committee and its Chairman shall be appointed by, and may be removed by, the Board. In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- 3.6 Committee members and the Chairman shall be rotated periodically, at the recommendation of the Board.
- 3.7 Each member of the Committee must be financially literate and there must be at least one qualified and appropriately experienced accountant in the Committee⁷.

4. Secretary

- 4.1 The Board Secretary or his/her nominee shall act as the Secretary of the Committee. In the absence of the Board Secretary the Chairman shall appoint another appropriate senior management staff member, to be the Secretary.

5. Quorum

- 5.1 Only members of the Committee shall be entitled to attend Committee meetings. However, members of management, representatives of internal and external auditors and other specialists may be invited to attend meetings at the request of the Committee.
- 5.2 A meeting of the Committee will not be valid unless attended by not less than two members. However, members of the Committee may also convene a meeting through a conference call.
- 5.3 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee as specifically delegated by the Board.
- 5.4 The Chairman is responsible for confirming the quorum of the Committee's meetings.

6. Decisions

- 6.1 The Committee's decisions shall be considered by a vote of the majority of the attending members. In case of equality of votes, the Chairman of the Committee shall have the casting vote.

⁷ CBB RB HC 1.3.12

- 6.2 Decisions of the Committee may be made through circulation. In all such cases:
 - 6.2.1 The Secretary of the Committee shall ensure and confirm circulation of necessary information and documentation.
 - 6.2.2 A decision through circulation will not be valid unless approved by all the responding members unanimously. In case of disagreement, even by a single member, a meeting of the Committee shall be called by the Secretary. In such an instance the guidelines given in Section 6.1 of this charter shall be applicable.

7. Meetings

- 7.1 Meetings shall be held at least four times a year, and where appropriate, should coincide with key dates in the Bank's financial reporting cycle. Meetings of the Committee will preferably be held prior to meetings of the full Board.
- 7.2 Formal meetings of the Committee are the heart of its work. However, they will rarely be sufficient. It is expected that the Committee Chairman, and to a lesser extent other members, shall keep in touch on a continuing basis with the key people involved in the Bank's governance including the Board Chairman, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Chief Investment Officer, the Chief Risk Officer, the external auditors and the Head of Internal Audit.

8. Notice of Meetings

- 8.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary.
- 8.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, and all other directors no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

9. Minutes of Meetings

- 9.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance and names of absentees.
- 9.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 9.3 Minutes of Committee meetings shall be circulated within 10 working days to all members of the Committee and, once agreed, to all members of the Board.
- 9.4 Minutes of Committee meetings shall be made available in English.
- 9.5 Where decisions are made through circulation, details will be included in the minutes of the Committee meeting immediately following the decision.

10. Responsibilities

The Committee shall carry out the duties listed below:

10.1 Financial Reporting

- 10.1.1 The Committee shall monitor the integrity of the financial statements of the Bank. The Committee shall also review any other financial information contained in other documents and shall review all other sections of the financial reports and related regulatory filings before release and consider the accuracy and completeness of the information.
- 10.1.2 The Committee shall review and challenge where necessary:
 - Whether the Bank has followed appropriate accounting policies and made appropriate estimates and judgements, taking into account the views of the external auditors;
 - Alternative treatments of financial information within generally accepted accounting principles;
 - The consistency of, and any changes to, accounting policies both on a year to year basis and across the Bank;
 - Significant adjustments resulting from the audit;
 - Management's assessment of the effectiveness of the Bank's internal control structure and procedures for financial reporting;
 - Regulatory and accounting initiatives, and their effect on the Bank's financial statements; and

- Whether the financial reporting function is adequately resourced, independent of business lines and is run by individuals not involved in day-to-day running of the various business areas⁸.

10.2 Internal Controls and Risk Management Systems

- 10.2.1 Ensure that the Bank's operations, individually and collectively are measured, monitored and controlled by appropriate effective and prudent risk management systems that commensurate with the scope of the Bank's activities and are supported by an appropriate control environment⁹.
- 10.2.2 Ensure that the control environment maintains necessary client confidentiality and properly safeguards clients' rights and assets and that the Bank's privacy is not violated¹⁰.
- 10.2.3 Review and approve any statements to be included in the Annual Report concerning internal controls and risk management.
- 10.2.4 Receive and discuss reports from management on an annual and/or as-needed basis relating to:
- Compliance at the Bank (including anti-money laundering, regulatory and fiduciary compliance);
 - Significant reported ethics violations;
 - Fraud and operating losses;
 - Technology and information security; and
 - The Bank's insurance.
- 10.2.5 Review periodically with management and the external auditors any correspondence with or other action by, regulators or governmental agencies, including any material legal affairs of the Bank and the Bank's compliance with applicable laws and reporting requirements.
- 10.2.6 Ensure that the risk management function is adequately resourced, independent of business lines and is run by individuals not involved in day-to-day running of the various business areas¹¹.

10.3 Internal Audit

⁸ CBB RB HC 1.2.10(b)

⁹ CBB RB HC 1.2.10(b)

¹⁰ CBB RB HC HC-1.2.10(b)

¹¹ CBB RB HC HC-1.2.10(b)

- 10.3.1 Monitor and review the effectiveness of the Bank's internal audit function in the context of the Bank's overall risk management system.
- 10.3.2 Ensure that the internal audit function is adequately resourced, independent of business lines and is run by individuals not involved in day-to-day running of the various business areas.
- 10.3.3 Review and assess the annual internal audit plan.
- 10.3.4 Meet the Head of Internal Audit at least once a year, without management being present, to discuss his/her scope, responsibilities and any issues arising from the internal audits carried out. In addition, the Head of Internal Audit shall be given the right of direct access to the Chairman of the Board and to the Committee.
- 10.3.5 Review and approve the appointment, dismissal and remuneration of Internal Audit, who shall report directly to the Committee and administratively to the CEO.
- 10.3.6 Review and discuss the internal audit findings that have been reported to management, management's responses and the progress of the related corrective action.
- 10.3.7 At least once each calendar year, the Committee shall review the performance of the Head of Internal Audit and concur with the annual compensation and salary adjustment proposed by the Bank's management. Recommendations may be sought from the Bank's HR Committee and other senior management in arriving at a decision.

10.4 Compliance

- 10.4.1 The Committee will review the effectiveness of the system for monitoring compliance with legal and regulatory requirements and the results of management's investigations and follow-up (including disciplinary action) of any fraudulent actions or non-compliance.
- 10.4.2 The Committee will ensure that the compliance function is adequately resourced, independent of business lines and is run by individuals not involved in day-to-day running of the various business areas.
- 10.4.3 The Committee will ensure controls are instituted to manage the Bank's compliance risk¹².
- 10.4.4 The Committee will ensure that management develops, implements and oversees the effectiveness of comprehensive know your customer standards, as well as ongoing

¹² CBB RB HC 1.2.5 (g)

monitoring of accounts and transactions, in keeping with the requirements of relevant law, regulations and best practice¹³.

- 10.4.5 The Committee shall obtain regular updates from management and Bank's legal counsel regarding compliance matters, which may have a material impact on the Bank's financial statements or compliance policies.
- 10.4.6 Review and discuss the findings of any examinations by regulatory agencies and any compliance function observations.

10.5 External Audit

- 10.5.1 Consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, relating to the appointment, re-appointment and removal of the Bank's external auditor. The Committee shall oversee the selection process for new auditors and, if an auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action is required¹⁴.
- 10.5.2 Oversee the relationship with the external auditor including (but not limited to):
- Recommendation to the Board of their remuneration, whether fees for audit or non-audit services, and that the level of fees is appropriate to enable an adequate audit to be conducted;
 - Approval of their terms and conditions of engagement of the audit¹⁵;
 - Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services¹⁵;
 - Satisfying itself that there are no relationships (such as close family, employment, investment, financial or business) between the auditor and the Bank (other than in the ordinary course of business)¹⁵;
 - Assessing annually their qualifications, expertise and resources and the effectiveness of the audit process; and
 - Monitoring the auditors' compliance with relevant ethical and professional guidance on the rotation of audit partners and other requirements.
- 10.5.3 Meet regularly with the external auditor at least twice a year, and at least once a year in the absence of executive management, to discuss their remit and any issues arising from the audit¹⁶.
- 10.5.4 Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement.

13 CBB RB HC 1.2.10(b)

14 CBB RB HC Appendix A Committee Duties and responsibilities

15 CBB RB HC Appendix A Committee Duties and responsibilities

16 CBB RB HC Appendix A Committee Structures and Operations

- 10.5.5 Review the management letter and management's response to the auditor's findings and recommendations.
- 10.5.6 Review the difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, any significant disagreements with management and communications between the audit team and the audit firm's regional or international office with respect to difficult auditing or accounting issues presented by the engagement.

11. Reporting Responsibilities

- 11.1 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its ambit where action or improvement is needed.
- 11.3 The Chairman of the Committee shall ensure that there is an open avenue of communication between internal audit, the external auditors and the Bank's Board.
- 11.4 The Committee shall report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged during the year and any other information required, including the non-audit services provided by the Bank's external auditor.

12. Other Matters

- 12.1 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 12.2 Give due consideration to laws and regulations;
- 12.3 Be responsible for co-ordination of the internal and external auditors;
- 12.4 Oversee any investigation of activities which are within its charter and act as a court of last resort;
- 12.5 At least once a year, review its own performance, the performance of individual members of the Committee and charter to ensure that the Committee is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 12.6 Audit Committee members may not enter into paid consulting or other arrangements with the Bank.

