



PUBLIC

The Governor

No. 1 / G /2025

Rabat, September 25th, 2025

BANK AL-MAGHRIB'S AUDIT AND RISK COMMITTEE CHARTER

Having regard to the provisions of Law No. 40-17 on the Statutes of Bank Al-Maghrib, promulgated by Royal Decree No. 1-19-82 of June 21, 2019, namely article 29 thereof;

Having regard to Instruction No. 16/ W /2025 on the Governance Charter of Bank Al-Maghrib;

Considering Bank Al-Maghrib's commitment to constantly align with international standards and best practices in internal control, internal and external audit, risk management, and accounting information;

Considering the results of the self-assessment and the external assessment of the Committee's functioning conducted in May 2025;

Pursuant to the decision made by the Board of Bank Al-Maghrib during its session on September 23th, 2025, approving the provisions of this Charter;

The following is hereby enacted:

Article 1: Purpose

This Charter defines the mission, responsibilities, composition, and operating rules of the Audit Committee. The latter shall be referred to hereinafter by the functional designation "Audit and Risk Committee" (the Committee), without prejudice to its legal basis provided for in Article 29 of the aforementioned Law 40-17.

Article 2 - Mission

The mission of the Committee is to examine and provide opinions on issues related to accounting information, internal and external audit, internal control, and risk management. In this context, it ensures that the Board is provided with assurance



regarding the proper functioning of the mechanisms related to these areas.

Article 3 - Responsibilities

The Committee's areas of intervention include:

- ***The Bank financial statements***

The Committee shall analyze the accounting principles adopted by the Bank and verify their compliance with standards in force. It shall review the annual financial statements prior to their approval by the Board.

- ***The Statutory Auditor***

The Committee shall review the selection process of the Statutory Auditor and ensure the latter's independence. It shall review the Statutory Auditor's annual audit plan and its alignment with the internal audit's work program. The Committee shall review the Statutory Auditor findings and monitor the implementation of its recommendations.

- ***The internal audit***

The Committee shall review the internal audit charter and any amendments thereto prior to their approval by the Bank's Board. It shall ensure compliance with the said charter.

The Committee shall validate the annual audit programme prior to its approval by the Board.

It shall review the main findings of the internal audit and particularly examine the summary notes of highly critical audit reports.

The Committee shall monitor the implementation progress of audit recommendations, with particular attention to those of high criticality.

The Committee shall approve the internal audit quality assurance and improvement programme and oversee its implementation.

- ***Risk management***

The Committee shall monitor the risks incurred by the Bank, in line with its risk appetite policy. These include operational, financial, strategic, reputational, and emerging risks, as well as those related to projects carried out by the Bank, particularly in the context of implementing its strategic plan.

The Committee shall also review the main incidents identified as well as the corrective and preventive actions thereto.

At least once a year, it shall review and monitor the systems and procedures



relating to compliance, ethics, anti-money laundering and counter-terrorist financing, personal data protection, access to information, crisis management and business continuity.

The Committee shall review the Bank's risk appetite policy, declined by risk category.

- ***The internal control system***

The Committee shall follow up developments in the Bank's internal control system. It shall review the annual report on this system prior to its submission to the Board. In this context, it shall ensure that the coordination mechanism among the three lines of control operates effectively.

Article 4- Composition

The Committee shall be composed of three members appointed by the Board from among the six designated by the Head of the Government. A Chairman shall be appointed by the Bank's Board from among the Committee members.

Without prejudice to Article 26 of the aforementioned Law 40-17, the Committee members shall serve a renewable three-year term, provided that such term does not exceed the duration of their mandate as members of the Bank's Board.

Article 5 - Meetings and deliberations

The Committee shall meet at least four times a year, convened by its President, either in person or remotely, in accordance with the rules established by the Bank. Additional meetings, including closed door meetings with the Internal Audit Department, may be organized upon request of the Committee Chairman.

The Committee may deliberate only where two of its members are present. In the absence of the Chairman, the two other members present shall appoint one of them as chairman for the meeting(s) concerned, in consultation with the Governor, as President of the Board.

The Committee deliberations shall be recorded in minutes signed by the Committee Chairman and the members in attendance.

As part of its remit, the Committee may hear any director of the Bank and any external auditor.

Where necessary, the Committee may consult an external expert in areas related to its mission and responsibilities, as set out in Articles 2 and 3 above. It shall determine the terms and conditions of such engagement, in accordance with the Bank's procedures. The costs associated with the external expert's engagement shall be borne by the Bank.



Article 6 - Secretariat

The secretariat of the Committee shall be provided by the Head of the Internal Audit Department, assisted, if necessary, by one of his/her staff.

The Secretariat shall prepare the Committee's meetings in coordination with the departments concerned by the agenda. It shall also draft the meetings minutes, which shall be approved by the Committee and subsequently submitted to the Board.

Article 7 - Report

The Committee shall prepare an annual report on its activity and on the effectiveness of its operations, which will be submitted to the Bank's Board. A summary of this report shall be included in the Bank's annual report.

Article 8 - Evaluations

The Committee shall regularly conduct, in accordance with a process it established, both a self-assessment and an external assessment of its operations, the results of which shall be submitted to the Bank's Board.

Article 9 - Rules of Procedure

The Committee's operating procedures shall be set out in internal rules of procedure.

Article 10 - Publication

This Charter shall be published on the Bank's website.

Article 11 - Revision

The provisions of this Charter shall be reviewed every two years in order to take into account, in particular, the results of the evaluations provided for in Article 8.

Article 12 - Effective date

The provisions of this Charter shall take effect on the date of its approval. They shall supersede and replace those set forth in the Committee's Charter dated March 27th, 2013.