
BYBLOS BANK EUROPE S.A.

Memorandum of governance

Date : March 2019

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Introduction

Byblos Bank Europe ("BBE" or "the bank") has as basic principle of managing its activities in accordance with the best practices in force and in strict compliance with the law. The maintenance of this commitment is essential for the continuity of its success, considering the nature of its activity and the markets on which it is deployed.

Corporate governance requirements have changed significantly in recent years. Byblos Bank Europe is closely monitoring developments in this area and, if necessary, continuing to strengthen its governance structure.

This Memorandum of Governance is an update of the version approved by the Board of Directors of the Bank in March 2018. It is applicable immediately. The Memorandum is evaluated at least once a year and will be reviewed whenever circumstances warrant and changes will be deemed appropriate.

1. Mission of the bank

BBE's vocation is to serve a clientele mainly active in the field of international trade. To this end, it deploys its know-how in terms of financing methods specific to this area of activity and its in-depth expertise in country risk. Its services are aimed primarily at companies active at international level and banking institutions wishing to benefit from a correspondence relationship. BBE focuses on service efficiency, sound risk management, and the achievement of performance and development objectives in compliance with applicable regulations.

2. Structure and organisation

2.1. Legal structure

BBE has the legal form of a public limited company under Belgian law. The company has been incorporated for an unlimited period. Its registered office is located at 1000 Brussels, rue Montoyer, 10/3.

The bank has two branches:

- Paris branch located at 75008 Paris, rue Lord Byron, 15
- London Branch, located at London W1X 5PE, Berkeley Square House

2.2. Management structure

BBE applies a dual management structure based on a Board of Directors and a Management Committee.

The **Board of Directors** defines the overall strategy and the general policy in consultation with the Management Committee, controls the latter, and regulates the appointments and dismissals of the members of the latter. In general, the Board of Directors has the power to perform all acts necessary for the accomplishment of the corporate purpose of the bank, with the exception of those which the Law reserves for the General Meeting.

The Board is composed of at least three members, shareholders or not, appointed for a maximum of six years by the General Meeting, and at any time dismissable by it.

The **Management Committee** is responsible for the day-to-day management of the bank within the limits of the general policy approved by the Board of Directors. The Management Committee constitutes a college. Its Chairman is appointed by the Board of Directors after consulting the Management Committee and the National Bank of Belgium ("NBB").

BBE's management structure (since 01/01/2019) is included in appendix 1.

The structure of the Byblos group is included in Appendix 3.

2.3. Operational organization

BBE has set up an operational organization based on the following departments:

- Commercial Department (Business Development and Correspondent Banking);
- Credit Department (credit risk and country risk analysis and management);
- Administrative and Financial Department (Accounting, Human Resources);
- Operations Department (Trade Finance, Payments, Teller, Dealing Room, Back Office).

In addition to these operational departments, the internal control, compliance and risk management bodies are added.

In order to improve the efficiency of its services and to optimize its operational resources, the bank may resort to the outsourcing of certain operational tasks in strict compliance with its policy in this area.

The latter is included in Appendix 2.

2.4. Branches

The branches are run by a Management Committee composed of at least two members. The director of each branch reports directly to the Chairman of the Head Office Management Committee. The Branch Management Committee does not have any credit authority.

Branch activity is similar to that of the head office, namely the financing of international trade transactions and correspondent banking.

3. Shares, capital and shareholding structure

3.1. Shares

The shares of the bank are registered or dematerialized. At the Head Office of the Bank a register of registered shares, of which any shareholder may become acquainted, is kept.

The bank recognizes only one owner per share. Each share entitles to one vote. The exercise of the voting right may be the subject of shareholder agreements, in accordance with the provisions of article 551 of the Companies Code.

3.2. Capital

As of December 31, 2018, the subscribed capital of BBE amounted to 20,000,000.00 euros, represented by 9,750 registered shares, without nominal value. The share capital is fully paid up. It may be increased or reduced by decision of the General Meeting deliberating as in the case of amendments to the articles of association. In the event of a capital increase to be subscribed in cash, the new shares must be offered by preference to the shareholders in proportion to the portion of capital that their shares represent. The exercise of the preferential subscription right is organized in accordance with the provisions of Articles 592 et seq. of the Companies Code. The General Meeting may, in the corporate interest, if the quorum and majority requirements are met, and in compliance with the legal provisions, limit or cancel the preferential subscription right.

3.3. Shareholders

As at December 31, 2018, the BBE shareholding structure was as follows:

| <u>Shareholder</u> | <u>Number of shares</u> | <u>Participation</u> |
|------------------------------|-------------------------|----------------------|
| BYBLOS BANK S.A.L., Liban | 9.748 | 99,98 % |
| François S. BASSIL | 1 | 0,01 % |
| Semaan F. BASSIL | <u>1</u> | <u>0,01 %</u> |
| | 9.750 | 100 % |

The reference shareholder of the bank is qualified in terms of reputation and financial health. Its balance sheets are audited according to international standards. It acts through its representatives on the Board of Directors, in order

to preserve the balance between the powers of the Board and the prerogatives of the Management Committee. It helps to ensure a sound, prudent and harmonious management of the bank.

4. General Meeting of Shareholders

4.1. Composition and powers

The General Meeting is made up of all owners of shares who are entitled to vote by themselves or by proxy, subject to compliance with legal and statutory requirements. Decisions taken by the Assembly are binding on all shareholders, even for absentees or dissenters.

4.2. Convocation

Each year, the Board of Directors convenes an ordinary General Meeting at the bank's headquarters on the second Monday of May at three o'clock. If it is a legal holiday, the meeting takes place on the next working day.

An extraordinary meeting may be called whenever the interest of the bank so requires. It must be at the request of shareholders representing together one-fifth of the share capital.

The convocations contain the agenda and are made in accordance with the provisions of Articles 532 et seq. of the Companies Code.

4.3. Topics

The following points may, among other things, be put on the agenda of the General Meeting of Shareholders :

4.3.1. Ordinary General Assembly

- acknowledgment of the annual report of the Board of Directors;
- acknowledgment of the report of the statutory auditor;
- approval of the annual accounts and profit distribution;
- discharge to the directors and the statutory auditor;
- appointment and resignation of the directors and the statutory auditor;
- renewal of the terms of office of the directors and the statutory auditor.

4.3.2. Extraordinary General Assembly

- Any changes of statutes.

4.4. Deposit of securities and representation

To be admitted to the General Meeting, the shareholders may be required by the Board of Directors to notify the company of their intention to attend the Meeting, at least three working days before the date fixed for the meeting, and indicate the number of shares for which they intend to take part in the vote.

Any owner of shares may be represented at the General Meeting by a representative, provided that he is himself a shareholder or has completed the formalities required to be admitted to the Meeting. Legal persons may, however, be represented by a non-shareholder representative. The Board of Directors may decide on the form of proxies and require them to be deposited at the place indicated by him within a period he fixes.

4.5. Conduct of the assembly

4.5.1. Presence

An attendance list indicating the name of the shareholders and the number of their shares shall be signed by each of them, or their representatives, before entering the meeting.

4.5.2. Presidency and office

Any General Meeting is chaired by the Chairman of the Board of Directors or, failing that, by the Managing Director. In case of impediment of these, the Assembly is presided over by the strongest shareholder present or by the oldest of these if there are several of the same importance.

The Chairman appoints the secretary. If the number of shareholders present permits, the Meeting elects one or more scrutineers from among its members. The directors present complete the office.

4.5.3. Adjourny of the Assembly

Any Annual or Extraordinary General Meeting may be adjourned to a maximum of three weeks by the Board of Directors. The formalities performed to attend the first meeting, as well as the proxies, remain valid for the second, without prejudice to the right to perform these formalities for the second meeting in the event that they were not done for the first. The second Assembly deliberates on the same agenda and decides definitively.

4.5.4. Deliberations and vote

Each share entitles to one vote.

Except in the cases provided for by law, decisions are taken, regardless of the number of shares represented in the Assembly, by a simple majority of validly cast votes, regardless of abstentions.

In the case of nomination, if no candidate obtains a simple majority of votes, a second ballot vote shall be conducted among the candidates obtaining the most votes. In the case of a tie vote, the oldest candidate is elected.

Voting shall be by a show of hands or by roll call, unless the General Meeting decides otherwise by majority vote.

4.5.5. Special majority

When the General Meeting has to decide on an increase or a reduction of capital, the merger or the division of the company, the dissolution or any other modification to the statutes, it can deliberate only if the object of the Proposed changes are specifically indicated in the convocation to the meeting, and if those attending the Meeting represent at least half of the share capital.

If the latter condition is not fulfilled, a new convocation is necessary and the second meeting deliberates validly regardless of the portion of the capital represented.

No change is allowed unless it is approved by at least three quarters of the votes. However, when the deliberation relates to the modification of the corporate purpose, the modification of the respective rights of categories of securities, the dissolution of the company from the reduction of the net assets to an amount of less than half or quarter of the capital, on the transformation of the company, or on a merger, a split, a contribution of universality or branch of activity, the Assembly is validly constituted and can only decide in the conditions of presence and majority respectively required by articles 559, 560, 633 and 634 of the Companies Code.

4.5.6. Minutes

The minutes of the General Meetings are signed by the members of the board and the shareholders who request it. Copies or extracts to be produced in court or elsewhere are signed by the Chairman of the Board of Directors, by the managing director or by two directors.

5. Board of Directors

5.1. Skills

5.1.1. Mission

Byblos Bank Europe S.A. is managed by a collegial Board of Directors which constitutes the highest decision-making body of the bank, subject to matters expressly reserved to the General Assembly by the Companies Code.

5.1.2. Assignments

The Board of Directors is responsible for setting the bank's strategic objectives and identifying the challenges that their implementation represents. As such, the Board mainly oversees the evolution of activities, financial and risk management, and the establishment of an appropriate decision-making structure.

The Board of Directors decides, among other things, on the following matters, in consultation with the Management Committee:

- strategy and capital allocation;
- the requirements for profitability;
- risk limits;
- the various policies of the bank.

It is also responsible for forming the special committees responsible for assisting it in certain specific areas, and for taking cognizance of the work of the Audit and Risk Committee set up by it and which plays a key role in the control activities of Board.

With regard to the appointment or dismissal of the Chairman of the Management Committee and the members of this Committee, it is up to the Board to take its decisions with the agreement of the NBB.

It is the responsibility of the Board of Directors to regularly evaluate the operation of the bank's management structure. A non-executive director is appointed for this purpose. It is up to him to make an evaluation report every year. The conclusions reached in this report are recorded in the minutes of the Board meeting, as are the measures taken to improve the management structure.

The Board ensures that the report on the evaluation of the internal control system is submitted to it annually by the Management Committee.

5.1.3. Competences

The Board of Directors has the authority to perform all the acts necessary for the accomplishment of the corporate purpose and objectives of the bank, to the exclusion of those which fall within the competence of another body of the bank under the law or statutes.

With regard to these competences, the bank is validly represented:

- either by two directors jointly, who do not have to justify to third parties a prior decision of the Board of Directors;
- or, within the limits of daily management, by a managing director;
- by a special representative, within the limits of his mandate.

5.2. Composition

5.2.1. Effectifs

BBE is governed by a Board of Directors composed of at least three directors, shareholders or not, appointed by the General Meeting, and at all times dismissable by it.

The Board is composed of representatives of the Reference Shareholders, Independent Directors and Executive Directors who are members of the Management Committee. The first two groups constitute, as non-executive directors, the majority of the Board of Directors.

5.2.2. Independent directors

The Board reserves at least two seats for an independent director, in accordance with the criteria set out in Article 526ter of the Companies Code. Any independent director who no longer meets the independence requirements must inform the Board of Directors accordingly.

To assess the independence of an director, the bank considers the following criteria:

- the member can not be an executive director of the Byblos Group or a related company. It can not be a controlling shareholder or hold a stake greater than 10%; he can not be a director or executive officer of such a shareholder;
- he can not be a close relative of an executive director of the Byblos group;
- he can not have any relationship with a company that is likely to question his independence. In this respect, he can not maintain or have maintained during the past year a significant business relationship with the bank;

- the member can not be a partner or an employee of the bank's statutory auditor and may not have been in that position in any of the preceding three years;
- the member must have the necessary perspective to be able to look objectively at the bank and provide impartial advice.

5.2.3. Required skills

The Shareholders' Meeting ensures, at the time of the appointment of directors or the extension of their mandates, that the balance in the board between banking knowledge, the interests of the shareholders and the managerial experience in the field of banking activity specific to the bank is maintained. In this way, the Board of Directors as a whole has always the skills and qualifications necessary to carry out its tasks.

All directors, both executive and non-executive, whether independent or not, must have sufficient independent appraisal capacity.

5.2.4. Appointment

The General Meeting appoints the directors by a simple majority of the votes cast. The Chairman and Vice-Chairman are elected by the Board from among the non-executive members. Directors are elected and dismissed after prior approval by the NBB. When a director's mandate becomes vacant during the financial year, the other directors may entrust the vacant mandate to a new director after approval by the NBB. In this case, the General Assembly will ratify this appointment at its next meeting. The director appointed to replace a director under the above-mentioned conditions shall complete the mandate of the one he replaces.

5.2.5. Term of office

Directors are appointed for a maximum of six years. The mandate is extendable.

The term of office of director may be revoked at any time by the General Meeting.

5.2.6. Age limit

No age limit is set on the exercise of a director's mandate

5.2.7. Remuneration

Unless otherwise decided by the Shareholders' Meeting, directors receive attendance fees. However, the Board of Directors is authorized to grant the directors in charge of special functions or tasks, a particular remuneration, to be charged to the result of the company.

5.3. Presidency

The Board of Directors may elect from among its members a Chairman. If the latter is absent or unable to act, the Board shall designate one of its members to replace him.

The Chairman directs the Board of Directors and is responsible for its proper functioning. It strives to create and maintain a climate of trust and confidence within the board, to foster open and fair debate, constructive criticism and reasoned decision-making.

In particular, the Chairman assumes the following tasks:

- he monitors the adequacy and effectiveness of the Bank's management structure and makes proposals to the Board, as appropriate;
- he ensures a smooth and efficient functioning of the Board;
- he regularly contacts the Chairman of the Executive Committee to discuss matters and projects of strategic importance to the bank;
- he chairs the General Meeting of Shareholders.

5.4. Process

The Board of Directors meets upon convocation and under the chairmanship of its Chairman or, in his absence, of the director who replaces him, whenever the interests of the company so require, or if two or more directors request it.

The meetings are held at the place indicated in the convocations.

If all the members of the Board of Directors are present or represented, there is no need to justify a prior notice

The Board may deliberate and decide if half of its members are present or represented. Any director may give to one of his colleagues, in writing, by telegram, telex, fax or any other document supported by a written document, a mandate to represent him at a specific meeting of the Board of Directors and to vote in his place and place. In exceptional cases duly justified by urgency and social interest, the decisions of the Board may be taken by unanimous consent of the directors, expressed in writing. This procedure can not be used for the closure of the annual accounts

The decisions of the Board are taken by a simple majority of votes, without taking into account abstentions. In case of equality of votes, the voice of the chairman of the meeting is preponderant. However, if the Board of Directors was composed of two directors, the voice of the chairman of the meeting ceases to be preponderant.

The deliberations of the Board of Directors are recorded in minutes signed by at least a majority of the members present. These minutes are recorded or linked in a special register. The delegations, together with the opinions and votes given in writing, are annexed to them. Copies or extracts are signed either by the Chairman of the Board of Directors or by a managing director or by two directors.

At the Board meeting, the Chairman, or any member of the Board, may seek the assistance of a member of the Executive Board to provide clarifications on certain items of the agenda or other matters related to the management of the bank.

Directors have a duty to maintain the confidentiality of all information and reports transmitted to them in the exercise of their mandate.

To ensure optimal efficiency in its operation, the Board of Directors has set up an Audit and Risk Committee as well as a Remuneration Committee. If necessary, it has the power to form ad hoc committees to deal with specific topics.

5.5. Conflicts of interest

The members of the Board of Directors are expected to refrain from taking actions and concluding transactions that would give them interests contrary to those of the bank. In practice, a director is deemed to have a conflict of interest when a transaction gives rise to a patrimonial interest in the:

- the director himself;
- a close relative of the director personally;
- a company controlled by a director and / or a close relative (s) of this director, within the meaning of Article 5 of the Companies Code.

Usual transactions that are concluded on market-conforming terms are not affected by the conflict of interest rules.

If a conflict of interest still arose, the following rules apply:

- In the case of conflicts of interest falling within the scope of Article 523 of the Companies Code, the director in respect of whom the conflict of interest of a patrimonial nature arises must first disclose it to the others. Directors abstain from participating in the deliberations and vote on the relevant transaction and inform the statutory auditor of the bank of the existence of this conflict of interest.

The minutes of the meeting of the Board of Directors relating to the transaction giving rise to the conflict of interest must include the particulars prescribed by article 523 of the aforementioned Code and must be published in the annual report of the bank.

- In the case of other conflicts of interest involving matters falling within the competence of the Board of Directors, the director in respect of whom the conflict of interest arises must first communicate it to the other directors of the bank and must abstain from participating in the deliberations and the vote relating to the transaction concerned. The minutes of the meeting of the Board of Directors shall state the existence of a conflict of interest.
- In the case of a conflict of interest falling within a matter not subject to a decision of the Board of Directors, the director in respect of whom the conflict of interest arises is bound to inform the Chairman of the Board of Directors in writing in advance.

6. Committees created by the Board of Directors

6.1. General provisions

The Board of Directors has the right to set up special committees within its scope, intended to assist it in certain specific areas. These Committees can only have an advisory function, only the Board of Directors having the power of decision.

The role and powers of each Committee are defined by the Board of Directors and set in their respective regulations. These regulations are regularly updated by the Management Committee or at the initiative of the Board of Directors.

All Committees are competent to allocate the necessary means for their proper functioning. After each meeting, the Committees submit a report to the Board of Directors and inform it of their conclusions and recommendations.

To date, two Committees have been set up within the Board of Directors: the Audit and Risk Committee and the Remuneration Committee.

6.2. Audit en Risk Committee

6.2.1. Mission

The Audit and Risk Committee assists the Board of Directors. On behalf of the bank, it monitors the integrity and effectiveness of the bank's internal controls and risk management, while paying specific attention to proper financial reporting. It also reviews the bank's procedures for meeting legal and regulatory requirements as well as sound governance practices.

6.2.2. Composition

The Audit and Risk Committee is composed of at least 3 non-executive directors, the majority of whom are independent directors. They are appointed on the basis of their financial knowledge and / or professional qualifications. The Chairman of the Audit and Risk Committee is appointed by the members of the Committee.

6.2.3. Remuneration

In view of the specific commitment required, the members of the Audit and Risk Committee receive an attendance fee of EUR 1,250, - per assisted session. The Secretary of the Committee (not a full member of the committee) is entitled to of EUR 1,000 per assisted session.

6.2.4. Operating procedure

The operating procedure and the tasks of the Audit and Risk Committee are recorded in a specific regulation included in *appendix 4*.

6.3. Remuneration Committee

6.3.1. Mission

The Remuneration Committee assists the Board of Directors in ensuring the proper implementation of the Remuneration Policy.

6.3.2. Composition and operating procedure

The Remuneration Committee is made up of 4 non-executive directors, including at least one independent director. Its operating procedure is described in the Charter of the Remuneration Committee, which is included in *appendix 8*.

7. Management Committee

7.1. Skills

7.1.1. Mission

Pursuant to Article 524 bis of the Companies Code and Article 18 of the Bank's bylaws, the powers of Management rests with a Management Committee. The latter exercises these powers autonomously, but always in the context of the general strategy set by the Board of Directors and in accordance with the rules issued by the NBB. This delegation of power can not, however, relate to the powers reserved to the Board of Directors, nor to the definition of the general policy of the bank.

According to Article 2 of its specific regulation, the Management Committee : *« investi par le Conseil d'Administration des pouvoirs de décision et des pouvoirs de représentation de la banque dans les relations avec le personnel, la clientèle, les établissements de crédit en Belgique et à l'étranger, l'environnement économique et social et les autorités, ainsi que des pouvoirs de décision quant à la représentation de la banque auprès de ses filiales et auprès des sociétés dans le capital desquelles elle est intéressée ».*

7.1.2. Tasks

The Management Committee mainly performs the following tasks:

- the operational management of the bank by drawing up, executing and monitoring the strategy defined by the Board of Directors, taking into account risk factors at all times;
- the quarterly reporting to the members of the Board of Directors on the implementation of the strategic orientations, the activities of the bank, the results and budgetary control, the classified claims and related facilities, as well as on all important issues to be brought to their attention;
- analysis and development of policy proposals and strategic projects to be submitted to the Board of Directors;
- timely, complete, accurate and reliable financial reporting for the bank in accordance with current accounting standards. The Committee is also responsible for these reports;
- the establishment, management and monitoring of internal control mechanisms so as to enable the identification, assessment, management and control of all the risks to which the bank is exposed;
- Regular information of the members of the Audit and Risk Committee in order to enable them to perform their duties by making available the reports of the internal and external auditors and the Compliance

Officer, NBB inspection reports, of the FSMA as well as circulars and all documents relating to banking legislation.

The Management Committee, within the limits of its powers, may delegate all or part of the day-to-day management to one or more persons.

7.2. Composition

7.2.1. Number

The Management Committee has at least three members who together form a college. It may, however, divide its tasks among its members, it being understood that this distribution has no effect on their collegial responsibility.

7.2.2. Required skills

Candidates proposed as members of the Management Committee must have the banking and financial knowledge, the reliability and the professional integrity as well as the experience necessary to assume the effective management of the bank.

The members of the Management Committee and all the effective managers of the bank must be able to make an objective and independent judgment in the interest of the bank. They will have to devote the necessary time and attention to the correct accomplishment of their tasks within the bank. No executive officer may have been sentenced and / or banned professionally for breach of banking regulations in force.

7.2.3. Nominations

The Chairman and the other members of the Management Committee are appointed and dismissed by the Board of Directors. Their appointment and dismissal can take place only after approval by the NBB.

The Chairman of the Management Committee, after consultation with the Management Committee, takes the initiative to refer to the Chairman of the Board of Directors his proposals for appointment to the Management Committee and his / her presidency. In the event of agreement, the Chairman of the Board of Directors transmits the proposal to the Board, after obtaining the assent of the NBB.

If the Chairman of the Board of Directors does not agree, he or she shall make a proposal to the Chairman of the Management Committee, who shall obtain the opinion of the Management Committee. If the latter is in favor, the Chairman of the Board of Directors submits his proposal to the Board, after obtaining the assent of the NBB.

In the event of an unfavorable opinion of the Management Committee on the proposal of the Chairman of the Board, the two Chairmen shall endeavor, before the final decision of the Board, to reach a consensus on a single candidate who can win the confidence of the majority of the Directors. If this consensus is reached, the Chairman of the Board of Directors sends the proposal to the Board of Directors, after obtaining the assent of the NBB.

In the absence of consensus, the Chairman of the Management Committee and the Chairman of the Board of Directors each submit their proposal to the Board, together with the opinion of the Management Committee and after the NBB has given an assent.

The dismissal or non-renewal of the duties of a member of the Management Committee may only be decided by the Board of Directors after consultation with the Management Committee and assent of the NBB.

When it is required to issue an opinion in accordance with the procedure referred to in the previous paragraphs, the NBB has the task of verifying whether the proposed decision is not likely to prejudice the sound and prudent management of the bank and its autonomy. With regard to appointments, it also checks whether the proposed candidates have the necessary professional integrity and experience to exercise effective management of the bank.

The members of the Management Committee are appointed for the same duration as their term of office, unless such dismissal or resignation takes place before the normal expiry of this term. They can be renewed in their functions.

If, by reason of dismissal or resignation, the number of members of the Committee falls below three, the remaining members may appoint one or more temporary replacements until the Board of Directors, at its next meeting, appoints one or more alternates for the remaining term of the outgoing members

7.2.4. Remuneration

The individual remuneration of the members of the Management Committee consists of the following elements:

- a fixed monthly salary;
- a possible premium for individual benefits.

7.2.5. Age limit

The age limit of the members of the Executive Committee is set at 65 years.

7.3. Chairmanship

The Chairman of the Management Committee is appointed by the Board of Directors upon presentation by the Management Committee and on the prior notice of the NBB.

The Chairman directs the Management Committee and is responsible for its proper functioning. This implies in particular:

- organize, chair and direct the meetings of the Management Committee;
- accompany and assist the other members of the Committee in the exercise of their individual responsibilities;
- define the objectives of the Committee in consultation with the other members of the Committee.

To the Board of Directors, the Chairman of the Management Committee is responsible for:

- maintain a permanent dialogue with the Chairman of the Board of Directors;
- report to the Board of Directors on the functioning of the Management Committee.

7.4. Secretariat

The secretariat of the Management Committee and its Chairman will be done by the Management Assistant. Under the supervision of the latter, the secretary is in charge of organizing the meetings of the Management Committee and preparing the minutes of these meetings. These bear a serial number and record all decisions and resolutions, as well as contradictory debates between the members of the Committee.

7.5. Operating procedure

7.5.1. Breakdown of tasks

The Management Committee divides the tasks among its members. This distribution is without prejudice to the collegiate responsibility of the members.

7.5.2. Meetings

The Management Committee meets regularly at the invitation of its Chairman. Additional meetings may be arranged - including at the request of a member of the Committee - whenever the interest of the bank orders it. The meetings are chaired by the Chairman of the Committee. In the absence of the latter, he is replaced by another member of the Committee appointed by him.

The Chairman, or in his absence the member of the Management Committee appointed by him, shall fix the agenda of the meeting, which shall be communicated to all members 48 hours before the meeting.

A meeting of the Management Committee is validly held only if at least half of the members are present. In case the Committee is composed of an even number of members, if the majority of the members is not present, the quorum is considered as reached when half of the members is present, including the Chairman.

Decisions are taken by majority vote of the members present. In the absence of the Chairman, any decision taken must be communicated to him within two days of the meeting. If he does not object within 48 hours after the communication, he is deemed to have approved the decision. In this case, the decisions become enforceable only after fulfillment of this requirement.

In cases of extreme urgency and in the absence of the Chairman, decisions may exceptionally be taken by unanimous vote of the members present.

8. Committees created by the Management Committee

8.1. General rules

The Management Committee has the right to set up special committees within the bank, intended to assist it in certain specific areas.

The role and powers of each Committee are defined by the Management Committee and set in their respective terms. These terms are regularly updated.

All Committees are competent to allocate the necessary means for their proper functioning. After each meeting, the Committees submit a report to the Management Committee and inform it of their conclusions and recommendations. This provision does not apply when all the members of the Management Committee are also members of the particular Committee in question.

At the end of 2018, the bank has a Compliance Committee (called the "Compliance Risk Committee" or "CRC"), an ALCO Committee and a Staff Committee.

8.2. Compliance Risk Committee

8.2.1. Mission

The purpose of the CRC is to facilitate the identification, implementation and monitoring of the measures necessary for the bank to comply with the legal, regulatory and other provisions relating to the integrity of the banker's profession.

8.2.2. Tasks

The main tasks of the CRC include the correct application of all laws, circulars, regulations and others as well as strict compliance by the bank with its own procedures, insofar as these must also contribute to the sound management of financial and financial risks of reputation.

In this context, particular attention is paid to the independent findings and recommendations made both within the bank (audit, credit review of the parent company) and outside the audit firm (auditor, prudential authorities ...).

8.2.3. Composition

The CRC is composed of the following persons:

- the Managing Director, acting as Chairman;
- The Assitant General Manager;
- The Operations Manager;
- The Financial Manager;
- The Credit Manager;
- The Compliance Officer;
- Head of FI.

The CRC may invite Branch Compliance Officers to attend meetings.

8.2.4. Meetings

At least three members must be present for the CRC to be validly convened. The Committee meets once a quarter or whenever the urgency requires it. At the request of the majority of members, other persons may be invited to meetings or to part of them.

8.2.5. Operating procedure

The operating procedure of CRC is based on the examination and follow-up of the various points listed in the Compliance Monitoring Program ("CMP"). The CMP comprehensively covers all topics to be covered by the Compliance function, with a risk-based approach.

The CMP is based on different databases (inventory of laws and regulations, inventory of communications received from the sectoral association ...) to determine precisely what measures must be taken, by whom and at what frequency / deadline.

The Management Committee is kept informed of the work of the CRC through the minutes of meetings.

The Compliance Officer reports to the Audit and Risk Committee on the operations and activities of the CRC, and thus, in this way, on the bank's compliance with the legal, regulatory and other provisions relating to the integrity of the banking business.

8.2.6. Secretariat

The secretary of the Management Committee also assumes the secretariat of the CRC and its Chairman. Under the supervision of the latter, the secretary is in charge of organizing the meetings of the CRC and preparing the minutes of these meetings. These carry a serial number.

8.3. Assets & Liabilities Committee (« ALCO »)

8.3.1. Control

The ALCO Committee is in charge of the investment policy of the financial resources of the bank, in accordance with the orientations and policies decided by the Board of Directors and taking into account the fundamental conditions and trends of the markets.

The management of these resources is based on the respect of the following criteria:

- prudent investment approach
- macroeconomic analysis
- careful control and risk calculation
- respect for a balanced structure of the investment portfolio.

8.3.2. Mission

The fundamental mission of the ALCO Committee is to establish the bank's strategy for managing market risk. Among his other missions, he is responsible among others for:

- monitoring of the bank's liquidity position;
- the definition of applicable margins on deposits;
- reviewing the proposals of the Dealing Room regarding the management of the investment portfolio of the bank.

8.3.3. Composition

Under the direct chairmanship of the Chairman of the Executive Committee, the ALCO is composed of the other members of the Committee, the Commercial Director, the Credit Director and the Head of the Dealing Room.

8.3.4. Meetings and operation

The Committee meets once a month, as well as whenever the Chairman or Vice-Chairman deems it necessary. Similarly, in the event of market stress, the head of the dealing room may require meetings at a frequency appropriate to the requirements of the situation.

The quorum necessary to hold any meeting is reached when a majority of the members are present. To be valid, decisions must be taken unanimously. In case of disagreement, the final decision is taken by the Management Committee.

8.3.5. Secretariat

The secretary of the Management Committee (or any other person appointed by the Management Committee) assumes the secretariat of the ALCO and its Chairman. Under the supervision of the latter, the secretary is responsible for the organization of ALCO meetings and the preparation of the minutes of these meetings. These carry a serial number.

8.4. Staff Committee

8.4.1. Mission

The Staff Committee deals with all matters relating to the bank's human resources (including branches) requiring a collegiate decision. In particular, the following subjects are included:

- review of annual assessments prepared by department heads and branch managers, determination of any individual merit awards, salary adjustments, promotions;
- hiring of a senior manager of the bank;
- dismissal of a staff member;
- assessment of the bank's human resources needs;
- review of any personnel management policies;
- review of new social legislation having a significant impact on the bank's policy in this area.

8.4.2. Composition

The Staff Committee is made up of the members of the Management Committee and the Manager (or Head) of Human Resources (HRD). When the importance of the subject requires it, the Committee may require the participation of an external lawyer

8.4.3. Chairmanship

The Chairman of the Management Committee assumes the chairmanship of the Staff Committee.

8.4.4. Secretariat

The secretariat is done by the HRD. Under the supervision of the Chariman, the Secretary is in charge of organizing the meetings of the Staff Committee and preparing the minutes of these meetings. These carry a serial number.

8.4.5. Meetings and operating procedure

The Committee meets as often as necessary at the request of one of the members of the Committee and, in any case, once a year - at the beginning of the year - for the examination of the staff evaluations.

The quorum necessary to hold any meeting is reached when a majority of the members are present. To be valid, decisions must be taken unanimously. In case of disagreement, the final decision is taken by the Management Committee.

9. Controle structure

9.1. Internal Audit

9.1.1. Mission

Internal Audit's role is to identify and assess risks, to provide an independent assessment of internal control systems, to add value to strategic initiatives, and to ensure the development of a control culture within the bank. His responsibility covers the audit of all businesses, products and procedures in the three units of BBE.

9.1.2. Tasks

Internal Audit is responsible for providing an independent and professional audit, based on risk assessment and the appropriate use of resources, ie:

- evaluate the effectiveness of internal control systems and ensure that they comply with local laws and bank procedures manuals;
- verify the accuracy of the bank's accounting systems;
- assess credit quality and identify weaknesses in credit assessment and control, as well as in the credit approval system;
- to check the accuracy of the information provided to the bank's management to justify decision-making;
- make recommendations aimed at increasing the efficiency and effectiveness of the activities, promoting the best management and control methods and thereby ensuring a quality service to the clientele;
- monitor and reduce any fraud attempt by ensuring the existence of a prevention policy and methods, and ensuring their proper application;
- to report objectively and impartially (in particular to the Audit and Risk Committee), and to conduct his work in a professional and fair manner.

Internal Audit carries out its mission within the framework of a tri-annual audit plan approved by the Management Committee and the Audit and Risk Committee. This plan is prepared on the basis of a risk approach, that is, priority is given to the higher risk areas / products. In all cases, all activities and departments of the bank must be audited at least once every three years.

The audit missions are carried out according to the established methodology.

Depending on the nature of the audited activity, audit assignments are also conducted in close collaboration with the Group Audit Unit, with which Internal Audit maintains regular contacts.

9.1.3. Authority

The Internal Audit authority is conferred on him by Board of Directors, which he reports directly to. He has unrestricted access to members of the bank for all matters of day-to-day management. It must also have immediate access to all documents, books, files and information from the bank, as well as to staff members.

9.2. For administrative purposes he depends from the Chairman of the Management Committee

Compliance

9.2.1. Mission

Compliance is an independent function within the bank, focused on the review and improvement of the bank's compliance with the rules on the integrity of the banking profession. These rules are both those taken by the bank in this area, and those that are enshrined in the banking statute (ie the Banking Law and the Decrees and Regulations made in implementation thereof), as well as other legal and regulatory provisions applicable to the banking sector.

9.2.2. Tasks

The essential mission of the Compliance function is the effective application of the bank's integrity policy.

Key actions to be taken in this context include:

- Writing instructions to employees. These instructions clarify the bank's policies. They pay specific attention to sensitive functions in terms of integrity;
- The development of effective procedures and codes of conduct for the implementation of the Bank's policy, taking into account relevant Laws and Regulations, and the adoption of adequate internal control measures (including the provision of adequate job descriptions);
- Awareness and ongoing training of employees;
- Liaison (point of contact) for third parties responsible for the control of certain integrity rules (for example: the supervisory authority {NBB and FSMA}, the financial information processing unit {CTIF} , judicial authorities, tax administrations, ...);
- The identification of the incidents to be mentioned and the fulfillment of the notification obligations towards third parties (for example the CTIF, ...);
- Review and follow-up of violations of laws and regulations as well as internal codes of conduct, such as conflicts of interest, proprietary trading by staff, acceptance of gifts or the act of to offer them, the granting of commissions, etc .;
- The operational processing of certain transactions of the bank, for example the holding or refusal of an operation, the evaluation of a

relationship with a client during the establishment and termination of a relationship;

- Dealing with customer complaints and maintaining a customer complaint registry;
- Advice on new products, services and markets;
- Monitoring of laws and regulations as well as monitoring their interpretation (eg contacts with supervisory authorities);
- Examination of relevant internal and external policy and operational documents (eg internal and external audit reports, minutes of the Management Committee, information and remarks of the supervisory authorities);
- Assessment of the adequacy of internal instructions and procedures and, if necessary, the formulation of adaptation proposals.

9.2.3. Organisation of the function

The ultimate responsibility for the Compliance function rests with the Head Office Compliance Officer. Branch Compliance Officers report directly to him, without prejudice to the direct obligations that should fall to them under local regulations.

In addition, the monitoring of matters that fall within the scope of the Compliance function is formalized within a Compliance Risk Committee (see section 8.2). This Committee bases its follow-up on a control program called "Compliance Monitoring Program".

9.2.4. Authority

The Compliance Officer may act on the operational processing of certain transactions, evaluate a relationship with a client during the establishment and termination of a relationship, He informs the Management Committee of the results of these initiatives.

He has free access to the premises, employees, files, databases, accounts, reports of the statutory auditor, the market and control authorities, and Internal Audit, as well as to the minutes of the Management Committee.

He has the right to ask for any explanation, if necessary in writing.

It may directly inform, on its own initiative, the Chairman of the Board of Directors or the members of the Audit and Risk Committee or the statutory auditor when he deems it necessary.

He has the right to put any point of Compliance on the agenda of the Management Committee.

He has the right to freely express and make known his findings and appraisals within the framework of his function within the bank. He is assured that his findings and assessments will not prejudice him or his potential collaborators.

9.3. Risk management

The independent risk management function, as required under Article 37 of the Banking Law, has been assigned to the Compliance Officer who combines both functions.

The Risk Manager reports directly to the Management Committee. He also reports to the Audit and Risk Committee, within the specific scope of the latter's responsibilities.

This function is exercised within the framework of a Risk Management Charter, and covers all the risks to which BBE is exposed. In this context, the Risk Manager has developed a method for monitoring and evaluating the aforementioned risks, and the result of this approach is the subject of periodic reports addressed, depending on the risks involved, to the Alco Committee or the Management Committee. The Risk Manager also prepares a report for each meeting of the Audit and Risk Committee. Once a year, the latter devotes a meeting to Risk Management exclusively.

The operational management of the various risks to which BBE is exposed is the direct responsibility of the Management Committee, or Committees created by it. A division of responsibilities is organized within the Management Committee, without prejudice to the collegial functioning of the latter. Moreover, the management of credit risk and IT risk is based on the support provided respectively by the Credit Risk Management and Information Security departments of the parent company.

9.4. External control

The external control of the bank, including the certification of the accounts, is exercised by Ernst and Young, represented by Mr. Jean-François Hubin. The statutory auditor is appointed for a renewable period of three years. His appointment, remuneration, renewal or dismissal comply with specific legal provisions. It is therefore the responsibility of the Audit and Risk Committee to make a recommendation to the Board of Directors concerning the appointment of the statutory auditor, the fixing of his fees and all other questions relating to his resignation or dismissal.

Apart from its usual tasks in the context of the external audit, the statutory auditor also plays a complementary role in the NBB's prudential supervision. He is therefore the holder of an approval from the NBB, is supervised by it and submits regular reports to him.

Within the bank, the statutory auditor submits his audit program and reports and other recommendations to the Audit and Risk Committee, and he can attend all meetings of this Committee. Likewise, he may attend the meeting of the Board of Directors convened to analyze and approve the annual accounts, as well as the Ordinary General Meeting.

The statutory auditor has direct and unlimited contact with the Chairman of the Audit and Risk Committee and the Board of Directors.

The independence of the statutory auditor is guaranteed by specific legal provisions implemented within BBE.

10. Conduct of Business

In order to carry out its activities in strict compliance with regulations and in the greatest transparency, the bank has drawn up a certain number of codes of conduct

10.1. Code of Business Conduct with Related Persons

The bank has a code governing the operations of loans, credits or guarantees granted directly or indirectly to the members of its Board of Directors, its Management Committee or to any companies in which the directors or spouses of the latter hold personal title a qualified participation.

The code includes the following provisions:

- The credits granted by the bank will fall within the normal framework of its activity and will be in accordance with its credit policy;
- The credit approval process will be in accordance with established procedures. The beneficiaries of these credits will not participate in the discussion of the file in the Management Committee and the vote that will follow;
- The credits will be accompanied by the financial conditions and guarantees normally required of the customers for this type of credit;
- The credits will be notified annually to the Board of Directors;
- The credits will be notified annually to the NBB.

10.2. Code of Ethics

The purpose of this Code is to establish and maintain the highest standards of behavior on the part of any employee, officer, representative and director of the bank.

The Bank's Code of Ethics is attached as *Annex 5* to this memorandum

10.3. Code of Conduct for the performance of an external function

This code governs the exercise of an external function by the bank's managers. It aims to take account of prudential objectives in the context of the increased freedom granted to the bank's managers for the exercise of an external function.

The code of conduct of the bank is attached as *annex 6* to this memorandum

10.4. Whistleblowing Policy

This policy allows each employee and manager of the bank to introduce a complaint with a "Reporting Officer" concerning fraudulent conduct or contrary to sound banking practices as defined in the codes and / or internal or external policies. The Whistleblowing Policy, a copy of which is attached as *annex 7*, protects the employee and executive against any professional sanction and allows them to bring their complaint on an anonymous basis.

10.5. Customer complaint handling procedure

The bank has a procedure at the level of the Compliance Officer for any complaints lodged by the customer. These are listed in chronological order and include a brief statement of the reason for the complaint, as well as the treatment provided. A paragraph of the Compliance Report drawn up for the attention of the Audit and Risk Committee is devoted to the treatment of these complaints.

11. Remuneration Policy

In accordance with BBE's Remuneration Policy (see *appendix 9*), the variable remuneration of the members of the Executive Committee and of the staff members who exercise key functions or independent control functions, is linked (since 2010) to:

- individual performance in qualitative terms;
- individual or collective performance in measurable quantitative terms (using performance measurement criteria);
- the results of the bank.

The following are the key or control functions: Anyone with the title of Director, the Internal Auditor, the Compliance Officer, the Risk Manager, the Human Resources Manager the members of the Sales and Marketing Department and from the Dealing Room

The maximum variable remuneration (expressed as a percentage of the annual remuneration) that may be awarded may not exceed:

- 30% of the annual remuneration for the members of the Management Committee;
- 20% of the annual remuneration for the Directors, the members of the commercial department and the Dealing Room;
- 10% of the annual compensation for the holders of the other key and control functions listed above.

The qualitative and quantitative objectives (maximum 4) are related to the function and / or objectives of the department and the bank and are weighted considering the function concerned. Performance indicators must be available for each objective.

The weight of the qualitative performances must represent at least 40% of the final score. The different levels reached by the latter determine the percentage of variable remuneration that is granted, taking into account the maxima mentioned above.

The monitoring of this matter is entrusted to the Remuneration Committee (see section 6.3.).

The latest version of the Memorandum of Governance and its appendices, is available in English on the site:

<https://www.byblosbank.com/about/international-presence/countries/belgium>

Date of approval by the Management Committee: 12/02/2019

Date of approval by the Board of Directors: 15/03/2019

Annex n° 1 – Management Structure

| Board of Directors | Date of Election |
|---------------------------|------------------------------------|
| Bassam A. NASSAR | Elected 14/05/1990 |
| | Chairman since 08/05/2006 |
| Faysal M. TABSH | Elected 02/01/1980 |
| | Vice-Chairman since 08/05/2000 |
| Nicolas F. TRAD | Director 12/05/2009 |
| | Managing Director since 21/12/2009 |
| François S. BASSIL | Director 19/02/1976 |
| Semaan F. BASSIL | Director 14/05/1990 |
| Najah L. SALEM | Director 06/05/1982 |
| Ludo SWOLFS | Director 12/05/2009 |
| Jacques DE RAEYMAEKER | Director 12/05/2009 |
| Baron Guy QUADEN | Director 14/05/2012 |
| Dirk VERMEIREN | Director 15/05/2017 |
| Selim STEPHAN | Director 15/05/2017 |
| Gassan CORTAS | Director |
| 11/05/2018 | |

| Audit and Risk Committee | |
|---------------------------------|-----------|
| Najah L. SALEM | Chairman |
| Ludo SWOLFS | Member |
| Baron Guy QUADEN | Member |
| Jacques DE RAEYMAEKER | Secretary |

| Management Committee | |
|-----------------------------|--|
| Nicolas Fouad TRAD | Chairman - « CEO » |
| Gassan CORTAS | Member – Assistant General Manager Commercial Manager |
| Dirk VERMEIREN | Member – Finance and IT Manager |

Management Committee – London Branch

Gaby FADEL – Manager – Chairman of the Management Committee
Wissam GHOUSSAINY – Assistant Manager – « Compliance Officer »

Management Committee – Paris Branch

Claude JEANBART – Manager – Chairman of the Management Committee
Georges HELOU – Assistant Manager – « Compliance Officer »
Michael CAUZIC – Commercial Manager

| Internal Auditor |
|-------------------------|
|-------------------------|

Jean-François Noël

COMPLIANCE OFFICER & RISK MANAGER

Damien VANHAUDENARDE

Auditor

ERNST et YOUNG, represented by Mr. Jean-François Hubin

Other Managers

| | |
|-------------------------|--|
| <i>Selim C. HADDAD</i> | <i>Advisor to CEO on Financial institutions and operations</i> |
| <i>Frederik SLADDEN</i> | <i>Credit Manager</i> |
| <i>Peter GREVENDONK</i> | <i>Head of Financial Institutions</i> |
| <i>Bassam GEHA</i> | <i>Acting Head of Operations</i> |

Annex n°2 – Outsourcing policy

GUIDING PRINCIPLES

1. THE ARGUMENT FOR OUTSOURCING

- a. Management focus on business development and clients growth;
- b. Commonality and standardization of processes between Europe and Lebanon;
- c. Better quality services;
- d. Freeing local resources for better use.

1. ADMISSIBILITY OF OUTSOURCING

In principle, the function or service may be outsourced provided that such outsourcing should not affect:

- a. BBE SA core business;
- b. BBE SA ability to manage and monitor the outsourced business at all times;
- c. The regulators as well as the internal and external auditors' right to audit, access and monitor the outsourced business.

2. REQUIREMENTS FOR ADMISSIBLE OUTSOURCING:

The legal requirements (regulators circulars) are to be met provided the outsourcing measures duly accord with the principles listed below:

a. Analysis prior to outsourcing:

A document analysis should be performed prior to the outsourcing process and including at least:

- ✓ A short description of the activities/services to outsource;
- ✓ The achievements pursued (costs reduction, process improvement, resources management...);
- ✓ A risk analysis (i.e. additional operational, financial, reputational or legal risks involved).

b. Contract:

Any outsourcing solution must be based on a clear written contract which takes due account of the following general requirements.

Besides defining and documenting the rights of the outsourcing institution, the contract serves as the documentary proof of compliance with the regulators requirements in relation to outsourcing. The outsourcing of functions by Byblos Bank Europe

to a service provider requires corresponding internal arrangements (internal guidelines, organizational instructions, declarations of commitment).

c. Definition of the operational area to be outsourced:

The operational area that is to be outsourced is to be defined; the precise requirements concerning the service performance are to be specified and documented, taking account of the objective of the outsourcing solution. The service provider's ability to meet Byblos bank Europe's performance requirements in both quantitative and qualitative terms must be defined in advance.

d. Instruction and monitoring of the service provider:

The respective responsibilities of Byblos Europe and the service provider must be precisely defined and distinguished. The outsourcing measure must not impair compliance with all the statutory and contractual obligations with which the outsourcing institution has to comply, for prudential purposes, as an example.

The service provider performance is to be continuously monitored and assessed so that any necessary corrective measures can be taken immediately. Byblos Bank Europe must specify a person that is responsible for supervising all aspects of the outsourcing process.

The ongoing internal monitoring of the outsourced area by Byblos Bank Europe's managers (searching for, identifying and eliminating any shortcomings) as well as the obligation to regularly report to the service provider and to notify it immediately of any malfunction are to be stipulated contractually. The outsourced operational area remains integrated into the Service provider's internal monitoring system.

Any changes in the performance and quality standards with which Byblos Bank Europe must comply must also be observed by the service provider, particularly if this is necessitated by changes imposed by the regulatory authorities. This must be ensured and monitored by internal precautionary measures and subsequent auditing.

Byblos Bank Europe must ensure contractually that it controls the rights of information, inspection, admittance and access (including access to data bases).

An effective policy for managing and monitoring the outsourced areas includes being able to terminate the concluded agreement, if deemed necessary, and to reincorporate it back into Byblos Bank Europe.

e. Internal auditing, external auditing and supervision:

Byblos Bank Europe, internal as well as external auditors of BBE and the European supervisory and prudential authorities competent in the countries of establishment of BBE shall be granted full and unrestricted access to the outsourced operational areas at all times for inspection and auditing purposes.

To this end, the service provider must contractually promise Byblos Bank Europe accordance to tolerate such audits, to give the auditors all information and to provide any documents regarding the outsourced area which they require for their supervisory activity.

The right of the Byblos Bank Europe internal auditing department to carry out supplementary audits of its own must be ensured contractually.

f. Security and data protection:

Byblos bank Europe and the service provider must determine and contractually define the security standards to be complied with.

Byblos Bank Europe and the service provider must constantly ensure the orderly continuation of business operations in the event of an emergency (BCP, especially in relation to communication failure).

The security measures to be determined must include arrangements which, in particular, ensure that the outsourced area remains operational should the service provider be hindered from rendering its contractual obligation.

Byblos Bank Europe and the service provider must guarantee data protection as defined in data protection legislation and must ensure the confidentiality, availability and accuracy of the data.

Customer data must be protected against unauthorized use. In this respect, the system must be safeguarded against falsification, theft, unlawful use, unauthorized modification, copying and access and any other unauthorized usages.

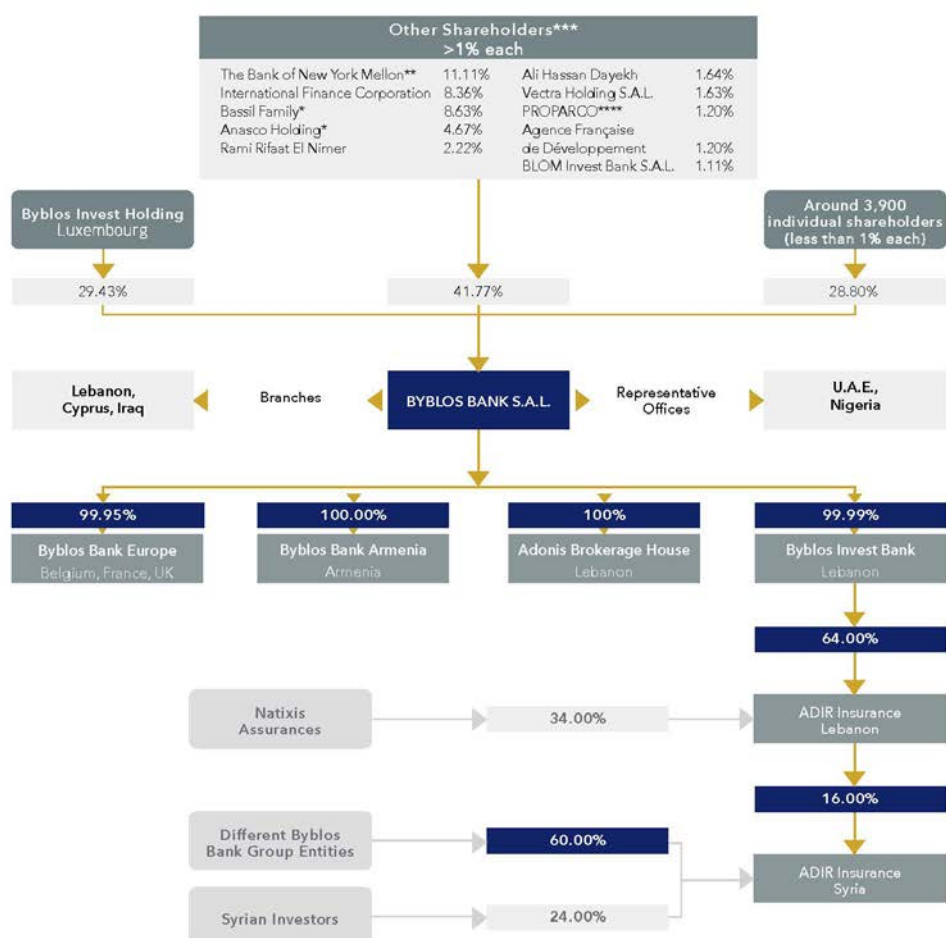
g. Business secrecy and banking secrecy:

The service provider must abide by, and respect Byblos Bank Europe business secrecy rules. Byblos Bank Beirut must expressly promise to maintain the confidentiality of all customer data.

h. Customer information:

Byblos Bank Europe must inform its customers in a suitable manner of any business outsourcing activity that affects them if required to do so by law or by contract.

Annex n° 3 – Group structure Byblos



* Major shareholders in Byblos Invest Holding.
 ** The Bank of New York Mellon is the depository bank for the GDR program.
 *** Including preferred shares, as at 31 December 2018.
 **** Société de Promotion et de Participation pour la Coopération Economique.

Annex n° 4 – Charter of the Audit and Risk Committee

Constitution

The Board of Directors decides to set up an Audit and Risk Committee.

Before coming into force, the Charter of the Audit and Risk Committee and any future amendments thereto must have been approved by the Management Committee and subsequently confirmed by the Board of Directors.

Composition

The Audit and Risk Committee is composed of members of the Board of Directors who do not hold daily functions in the bank. The minimum number of members of the Audit and Risk Committee is set at three and the quorum requires the presence of two members.

The Chairman of the Audit and Risk Committee is appointed by the Board of Directors. The appointment of the Chairman and the members of the Audit and Risk Committee must receive the prior approval of the NBB.

The members of the Audit and Risk Committee remain in office until their resignation or dismissal of this function by the Board of Directors, or until the expiry of their term as director. They can be renewed in this function.

Frequency of meetings

The Audit and Risk Committee meets at least three times a year: at the time of the examination of the interim financial situations and at the closing of the accounts, and a third meeting may be convened if necessary. Additional meetings can be organized if necessary.

Attendance at meetings

At the request of the Chairman of the Audit and Risk Committee, the Chairman or any other member of the Management Committee and other members of the management (in particular the Chief Internal Auditor) attend the meetings or are convened to discuss certain items on the agenda.

The Statutory Auditor or a representative of the latter may also be present at meetings and is invited to attend at least once a year.

Role

The purpose of the Audit and Risk Committee is to facilitate effective oversight by the Board of Directors of the application of the general policy defined by the Board. Its mission covers both the Brussels Head Office and the Paris and London offices. The Audit and Risk Committee promotes

communication between the members of the Board of Directors, the Management Committee, the Internal Audit Department, the accredited Statutory Auditor and the NBB.

The role of the Audit and Risk Committee is in no way to duplicate or substitute for Internal Audit.

The Audit and Risk Committee reports to the Board of Directors twice a year at the Board meeting preceding the General Meeting approving the accounts of the previous year and at the end of the semester.

The Audit and Risk Committee verifies the manner in which the Management Committee ensures and supervises the quality, scope and effectiveness of the internal and accounting controls and the risk management of the credit institution. It controls external financial information, including compliance with legal, regulatory and statutory provisions, as well as compliance with the rules established by the Board of Directors and the follow-up of questions and recommendations formulated by the Statutory Auditor.

The Audit and Risk Committee ensures that the Internal Audit Charter is established in a correct manner; he confirms it and has it approved by the Board of Directors.

The Audit and Risk Committee confirms the audit plan as well as the resources committed (both human and material).

It approves the appointment and resignation or dismissal of the Chief Internal Auditor, who has direct access to the Chairman of the Audit and Risk Committee.

It monitors the functioning of Internal Audit and ensures that Internal Audit's mission is carried out without restriction or hindrance.

It verifies the quality and extent of the work done by Internal Audit and ensures that Internal Audit applies the best methods of current practice. It recommends to which member of the Management Committee the Chief Internal Auditor reports indirectly for the day-to-day management of the service.

It takes cognizance of the activity reports and the summary of the main individual recommendations formulated by the Internal Audit, the Compliance Risk Committee and the Money Laundering Reporting Officer, and ensures the follow-up of the recommendations made by them.

It orders, when he deems it necessary, specific audit duties to be performed on his behalf.

It is authorized by the Board of Directors to request any legal opinion or any independent professional opinion and to obtain the assistance of any outside experience and expertise that it deems necessary.

The Audit and Risk Committee makes a recommendation to the Board of Directors regarding the appointment of the Statutory Auditor, the fixing of his fees and any questions relating to his resignation or dismissal.

The Statutaire Auditor presents his audit program to the Audit and Risk Committee and informs him of his audit findings and recommendations. The review and monitoring of the independence of the accredited Auditor will be ensured, in particular as regards the provision of additional services to the audited entity.

Annexe n°5 - Code of Ethics

1. Introduction

The purpose of this Code of Ethics ('The Code') is to promote and maintain high standards of ethical conduct for all employees, officers, directors and representatives ('The Staff') of Byblos Bank Europe S.A. ('BBE' or 'The Bank').

This Code should be read in conjunction with the Bank's Integrity Policy, Anti-Bribery Policy and the Code of Conduct set down by the authorities and/or the banker's association in the three countries in which the Bank is present.

Since the actions of every employee, officer, director and representative affect the reputations' of BBE, all members of the staff are expected at all times to:

- a. Avoid actual, potential or perceived conflicts between personal and professional interests;
- b. Conduct business with integrity, honesty and fairness in a manner sensitive to the customs and cultures of the areas of operation;
- c. Comply with the Bank's policies and procedures.

2. Conflicts of interest

'Conflict of interest' means any situation or activity where an individual's private interest (including the interests of family members) affect, or can reasonably be perceived to affect, the discharge of such person's obligations to the Bank.

BBE expects all employees, officers, directors and representatives to honour their duty of good faith and to perform their duties in a manner which seeks to ensure the interests of the Bank ahead of their own personal interests.

BBE expects that no employee, officer, director or representative will:

- a. Take advantage of any business opportunity discovered through his or her position or through the use of BBE's property or information;
- b. Use his or her position or BBE property for personal gain;
- c. Compete with BBE;
- d. Take any step or action which involve or create the appearance of a conflict of interest.

While it is not possible to describe or anticipate every situation that may present conflicts of interest, such situations impacting upon the objective and effective performance of responsibilities to the Bank may arise when an employee, officer, director, representative, or member of his or her family:

- a. solicits or accepts, directly or indirectly, any kind of gift or other personal, unearned benefits as a result of his or her position within the Bank from any person with which the Bank has a current or potential business relationship;
- b. has a consulting or employment relationship in any capacity with any person with which the Bank has a current or potential business relationship.

3. Gifts

This Code does not prohibit business or social exchanges that occur in the ordinary course of business relationship. BBE recognizes the importance of good business relationship and encourages networking with clients and suppliers provided that the extent of such activities cannot reasonably be perceived to negatively impinge upon the fulfilment of a person's duty to the Bank. Reasonable business entertainment, gifts, or favours which are appropriate in the circumstances or otherwise permissible under applicable law will not be considered a breach of this Code, as long as such items comply with the Bank's Anti-Bribery Policy.

4. Confidential Information

No employee, officer, director or representative shall disclose any confidential or proprietary information about the Bank, or any person or organization with which BBE has a current or potential business relationship, to any person, either during or after service with the Bank, except with the written authorization of the Management Committee or as may be required by law.

5. Fair dealing

Every employee, officer and director must deal fairly with BBE clients, suppliers, competitors, and any person or organization with which the Bank has a current or potential business relationship. The staff should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of facts, or any other unfair-dealing practice. The staff must conduct in strict compliance with the Bank's Anti-Bribery Policy.

6. Ethical principles applicable to the investment business

The implementation of the above-mentioned principles to the investment business of BBE, leads to the following rules:

- a. The investment services (i.e. the execution or transmission of orders relating to financial instruments) delivered by BBE are relying solely on the instructions received from the clients. No influence whatsoever on this services may be exercised by any department of BBE or any other entity of Byblos Group;
- b. When investment services are delivered, they are so in the sole interest of the clients, without considering any other interest of any other person or entity;
- c. All instructions received from the clients in relation to the investment services delivered by BBE, and in general all communications exchanged in this context between BBE and its clients, must be treated with the highest confidentiality;
- d. No investment services may be delivered to any Management or staff member of BBE, or to any Management or staff member of the Securities Back Office of BBSAL, or to any person related to them. The delivery of investment services to directors (non-members of the Management Committee) of BBE, as well as to any other Management or staff member of any other Byblos

Group unit, may be charged at advantageous conditions, decided on a case by case basis by BBE Management Committee.

7. Waivers

Exceptionally, the Bank may waive certain provision of this Code. Any employee, officer, representative or director who believes that a waiver may be called for should discuss the matter with the Management Committee & the Compliance Officer. The Management Committee must approve in writing any waiver of the Code of Ethics for employees, officers and representatives. Waivers for members of the Management Committee and directors of the Bank must be approved by the Board of Directors.

8. Register of conflicts of interest

All potential or effective conflicts of interest addressed by this Code are registered by the Compliance Officer.

9. Client complaints

All complaints communicated by clients must be reported to the Compliance Officer.

10. Reporting

The Compliance Officer acts as a 'Reporting Officer' for any question or need to report concerns of possible violations of this Code. He will ensure that questions and concerns are handled discreetly and thoroughly, in accordance with the Bank's Whistleblowing Policy.

Annex n°6 - Code of Conduct for the performance of an external function

This code of conduct ('The Code') has been prepared in order to respect the provisions of the law of 25 April 2014 on the legal status and supervision of credit institutions and the regulation of the National Bank of Belgium dated 6 December 2011 (further detailed in the Circular PPB-2006-13-CPB-CPA of the Banking, Finance & Insurance Commission) relating to the undertaking of external mandates by directors and managers of Byblos Bank Europe S.A. ('BBE' or 'The Bank').

1. Scope

This code is applicable to:

- all directors and members of the Management Committee of the bank,
- all members of the staff who, whatever their title or function may be, take part in the administration or management of the bank, and
- all members of the staff whose functional level is immediately below the Management Committee of the bank, including members of the management committees of the overseas branches.

The code is intended to adopt the prudential objectives required in the light of the freedom of the Management of the bank to undertake external mandates.

2. Limitations to the freedom to undertake an external mandate

External mandates resulting from the nomination by the bank may only be undertaken by those members of the staff effectively managing the bank or those persons nominated by the Board of Directors.

This limit is aimed at:

- the undertaking of a mandate as director nominated by the bank as a result of participation by the bank in the capital of a company;
- the mandate as representative of the bank when the latter is itself a director of another company, whether or not the bank holds a participation in the capital of that company;
- the nomination of a director for reasons related to his expertise, regardless of participation held by the bank. In this case, the nominated person does not necessarily have to be chosen among the effective managers of the bank. Other persons, be they employed by the bank or not, may be nominated as long as the decision to represent the bank is taken by the Board of Directors.

A non-executive director may not undertake, either directly or indirectly, a mandate involved in the day-to-day management of a company in which the bank holds a participation. He may only hold a non-executive mandate.

Executive managers of subsidiaries of the bank may not hold the mandate of non-executive directors of the bank.

Exception: Upon the acquisition by the bank of a participation in the capital of another company or upon the take-over of the company, the conditions of the operation (e.g. when the shareholders/managers of the company become shareholders in the bank), the terms of a harmonious collaboration between the company and the bank or the integration into the structures of the bank of the activities taken over, may temporarily justify the holding by one or more executive managers of the company of a mandate as non-executive directors of the bank. This authorization is however limited to 6 years, corresponding to the maximum duration of the mandate as a director in a limited company.

Executive managers of the bank may only undertake executive mandates in other companies in the cases set out below:

- External mandates held in other financial sector companies with which the bank has close links;
- External mandates held in statutory investment and unit trust funds, or in companies contractually managing investment and unit trust funds;
- External mandates held in companies managing personal or family assets;
- External mandates held in certain 'management' companies.

By family assets companies, it is to be understood that the definition covers companies whose activities are limited to the management of the family assets lodged with the company, and must exclude any other industrial or commercial activity or the notion of acting as a service company.

'Management' companies are defined as those, which, apart from managing family assets, undertake activities consisting of the provision of management services to other companies. The law sets out two conditions, which must both be fulfilled before an executive manager of the bank can be authorized to hold an executive mandate in such companies. Firstly, the manager of the bank must be the sole executive manager of the 'Management' company. Secondly, the activity of that company must be limited to providing services to companies in which the manager can directly hold an executive mandate. It is however expressly forbidden for an essential part of the management of the bank to be covered by a management contract concluded with the 'management' company of one of its managers, even if the company meets both conditions referred to above.

It should be noted that these provisions in no way modify the requirements stipulated in article 19 of the law of 25 April 2014, by which the executive management of the bank must be undertaken by individuals. It is therefore forbidden for a director in the form of a company to participate in the executive management of the bank.

3. Conditions for holding external mandates – Internal Rules

Adoption of internal rules – competent body

Being a matter of general policy, the internal rules of the bank must be drawn up and proposed by the Management Committee for approval by the Board of Directors. They must be re-evaluated every two years to ensure that they remain appropriate for the bank.

Rules relating to the authorization to hold external mandates

No manager/director of the bank may hold an external mandate without the prior authorization of the Board of Directors, based on a proposal from the Management Committee. This rule does not apply to external mandates for which the bank has nominated the individual concerned.

Rules relating to availability

To enable the Board of Directors to authorize the holding of an external mandate, the Management Committee must submit a full file on which the decision must be based. The file must contain sufficient information to enable the Board to assess the impact that the external mandate would have on the availability of the person concerned to effectively carry out his duties within the bank. The file should contain details of the nature and extent of the external mandate, the forecast frequency of meetings which it will entail, a global estimation of the impact of all external mandates undertaken by the individual on his availability as well as any relevant factors likely to have an impact in this respect. This assessment should be compared to the level of duties carried out within the bank, based on the number of executive managers, the nature of the activities of the bank and the internal division of responsibilities.

In the light of this assessment of both internal and external responsibilities, the Board of Directors should make a judgment as to whether the external mandates would be likely to affect the availability of the individual required to ensure a sound and prudent management of the bank. In the event that the external mandate is judged to have an adverse effect, the Board of Directors must refuse to authorize the external mandate.

To this end, each director and manager will fill in and sign the attached form setting out all external mandates held. This form must be completed each year, commencing in December 2002. When no external mandate is held, the form must be signed and returned stating 'Nil'.

The Board of Directors, the Management Committee and the Compliance Officer must be informed of any significant modification relating to the above file. Should any such modification arise, the Board of Directors may review its assessment regarding the availability of the manager and may, if necessary, withdraw its authorization.

Rule relating to the prevention of conflicts of interest and risks associated with the holding of external mandates

Considering the risks of conflict of interest and, from then on, the implication of the responsibility of the bank, the following rules must be applied in the case of the holding of an external mandate by a director or a manager in a company with which the bank has no close links:

- The bank may only provide facilities or services to a company in which one of its managers or directors holds an external mandate, at normal market conditions.
- Any manager or director of the bank holding an external mandate must refrain from intervening, both within the bank and within the company in which they hold an external mandate, with the deliberations and votes concerning the provision of any facility or service by the bank to the company.

Rules relating to the holding of external mandates in listed companies

When a manager or director holds an external mandate in a listed company, the following rules are intended to protect the bank from being implicated in any market abuse committed in connection with the shares of the listed company:

1. It is prohibited for any person possessing information that he or she is aware, or ought to be aware, constitutes inside information, to acquire or dispose of, or try to acquire or dispose of, for his/her own account or for the account of a third party, either directly or indirectly, financial instruments to which that information refers;
3. It is prohibited for any person possessing information that he or she is aware, or ought to be aware, constitutes inside information, to disclose that inside information to any other person, unless such disclosure is made in the normal course of the exercise of his/her employment, profession or duties;
4. It is prohibited for any person possessing information that he or she is aware, or ought to be aware, constitutes inside information, on the basis of inside information, to recommend that a third party acquire or dispose of, or induce others to acquire or dispose of financial instruments to which that information refers;
5. It is prohibited for any person to carry out transactions or place orders which give, or are likely to give, false or misleading signals regarding the supply of, demand for, or price of one or more financial instruments; or which, through one person or persons acting in concert, secure an abnormal or artificial price level for one or more financial instruments, unless the person who has carried out the transactions or placed the orders demonstrates legitimate reasons for doing so, and that these transactions or orders are in accordance with the accepted market practices that apply on the market concerned;
6. It is prohibited for any person to carry out transactions or place orders that employ fictitious structures or any other form of deception or contrivance;
7. It is prohibited for any person to disseminate information or rumours through the media or the Internet or by any other means, which give, or are likely to give, false or misleading signals as to financial instruments, where

the person in question knew, or ought to have known, that the information was false or misleading;

8. It is prohibited for any person to commit other acts, as defined by the King upon the recommendation of the FSMA, that hamper or disrupt the proper functioning, integrity and transparency of the market or could do so;
9. It is prohibited for any person to participate in any agreement, the object of which is to commit acts as referred to above in points 1 to 7;
10. It is prohibited for any person to incite one or more other persons to commit acts that, were he/she himself/herself to commit them, would be prohibited under points 1 to 7 above.

Any transaction carried out, directly or indirectly, by a manager or director, his spouse or any other person being domiciled in the same address, or through a company controlled by them, relating to shares issued by companies in which that manager or director holds a mandate, must be carried out through the bank. This obligation does not apply if the manager or director can prove that his assets, those of his spouse or any other person being domiciled in the same address, or those of any company controlled by him, are managed by another institution through a portfolio management contract, under the terms of which the persons concerned are not authorized to give individual instructions.

Rules relating to the publicizing of external mandates

The requirement to publicize external mandates is limited to those held outside the group to which the bank belongs. A group is defined for this purpose by the notion of 'close links' which includes the notion of 'sister companies' (including a consortium) and 'links by participation'.

External mandates held in investment and unit trust funds, family assets companies and 'management' companies are also exempted from the requirement to publicise.

The publicizing will be made in the annual report of the bank.

Details to be published must include the following:

1. The last name, first names and positions of the managers and directors of the bank holding an external mandate,
2. The name of the company, the address of its registered head office, its domain of activities and, if applicable, the regulated market on which the financial instruments issued by the company are listed,
3. The position within the company held by the person named under point 1 above,
4. The existence of any link through capital held by the bank outside its trading portfolio, and the importance of such link (which would obviously be less than a close link).

Such information must be updated on an annual basis.

Internal rules and any subsequent modifications must be communicated to the NBB by regular mail and by e-mail.

4. Notification to the NBB of external mandates held by directors and managers

The bank must promptly notify to the NBB all external mandates held by its directors and managers. It should be noted that, contrary to what the previous chapter provides for publicizing, all external mandates held by directors and managers must be notified to the NBB, including the external mandates held in subsidiaries or group companies, as well as in investment and unit trust funds, family assets companies and 'management' companies.

Such notification will be made via e-Manex.

Information to be communicated includes the following:

- The precise identification of the manager or director concerned together with his position within the bank,
- The precise identification of the companies, businesses or institutions in which the manager or director holds an external mandate,
- The characteristics of the external mandate held,
- The authorization procedure by the relevant bodies of the bank, where applicable,
- The mode of publicizing retained, when such publicizing is required.

5. Monitoring compliance with the law and the NBB regulation

The bank will take the necessary measures to ensure compliance with the law. The Compliance Officer is in charge of this control.

To this effect, the authorised files on external mandates must be communicated to him. He will ensure that all directors and managers subject to the law have been included and that the files respect the internal rules.

On the basis of the files, where necessary, the Compliance Officer will identify the external mandates held in listed companies. He will also identify the periods during which any transactions in shares issued by a listed company in which a director or manager, his spouse or any other person being domiciled in the same address, or any company controlled by them, may or may not be carried out by the bank itself, as well as those relating to the same transactions in the framework of the investment portfolio of the bank.

The definition of such periods will enable the persons concerned to establish whether they can carry out a transaction without raising any suspicion likely to jeopardize the reputation of the bank.

The persons concerned who wish to carry out a transaction will submit the operation to the Compliance Officer who will ensure that the legislation on market abuse is being respected.

6. Sanctions

Where, by application of internal rules, an external mandate cannot be authorized, the bank will ensure that the director or manager concerned terminates the mandate. In the absence of such termination, the bank must envisage forbidding the relevant director or manager from holding a management position within the bank.

7. Designation of persons responsible towards the NNB

The bank has designated Mr. Foaud Trad as the manager charged with the responsibility of implementing the organization required to ensure that the bank complies with applicable legal and regulatory requirements on the subject and under whose authority the required information must be notified to the NBB.

The Management Assistant has been designated as the contact person, for the relationship with the NBB, for all technical aspects of the communication of the relevant information.

8. Appendix 1: Questionnaire to be filled for each external mandate

| 1. Identification of the director/manager | | |
|---|---|----------|
| Information required | Notes | Response |
| Last name | As it appears on birth certificate, ID card or Passport | |
| First name | As it appears on birth certificate, ID card or Passport | |
| Other first names | As it appears on birth certificate, ID card or Passport | |
| Place of birth | As it appears on birth certificate, ID card or Passport | |
| Date of birth | Format – DD/MM/YYYY | |
| Scope <i>ratione personae</i> | Choose from the following: - Non-executive director/manager - Member of the Management Committee - Manager whose functional level is immediately below the Management Committee - Overseas branch manager | |
| Title of the mandate held with BBE | | |
| Start date of the mandate held with BBE | Format – DD/MM/YYYY | |
| Representative of: - Name of the company - Registered office - Nationality - Legal form - VAT or national number | To be completed when the mandate of director/manager is held in representation of a company. VAT or national number is mandatory for companies registered in Belgium | |
| End date of the mandate held with BBE | To be completed when the director/manager ceases to have a mandate with BBE Format – DD/MM/YYYY | |

| 2. Identification of the third company | | |
|---|---|-----------------|
| Information required | Notes | Response |
| Name of the company | | |
| Registered Office | Street & number, postal code, city, country | |
| Nationality | | |
| Legal form | | |
| VAT or national number | Mandatory for companies registered in Belgium | |
| Domain of activities | Choose from the following: - credit institution - investment company - insurance company - company managing investment and unit trust funds - financial holding company - other financial institution - company providing financial services ancillary to the activity of credit institution - statutory investment and unit trust fund - family assets company - 'management' company - other | |
| Commercial company | Yes or No If the company pursues essentially commercial goals, it must be considered as a commercial company. | |
| Close links with BBE | Choose from the following: - belongs to the group to which the bank itself belongs - belongs to a group with close links - shareholding of the bank in the company - shareholding of the company in the bank - other close links - none | |
| Listed on a regulated market | Yes or No | |
| In a business relationship with BBE | Yes or No | |

3. Further information concerning the close links with BBE

Notes:

To be completed if the third company belongs to the group to which BBE belongs, or if it belongs to a group with close links with BBE or its parent company.

| Information required | Notes | Response |
|--|--|----------|
| Name of the group | Name of the group to which the third company belongs | |
| Information about the company at the head of the group: - Name of the company - Registered office - Nationality - VAT or national number | Data identifying the company that can be considered as the head of the group | |
| Remarks on the link | | |

| 4. Characteristics of the external mandate | | |
|---|---|-----------------|
| Information required | Notes | Response |
| Title of the mandate held with the third company | | |
| Participation in the daily management | Yes or No | |
| Start date of the external mandate | Format – DD/MM/YYYY | |
| End date of the external mandate | Format – DD/MM/YYYY | |
| Details of the mandate | Choose from the following: - mandate held at the request of BBE - executive mandate held by a non-executive director of BBE following the acquisition by the bank of a participation in the capital of the company or upon the take-over of the company - executive mandate held by an executive director/manager of the bank - other | |
| Eventual mandatory maturity date of the mandate | Format – DD/MM/YYYY | |

I certify that this information is complete and correct and that I will advise the bank of any modifications to this information as required by the code of conduct for directors and managers holding an external mandate.

Name:

Signature:

Date:

9. Appendix 2: Authorisation procedure & Publicising

| 1. Authorisation Procedure | | |
|---|---------------------|-----------------|
| Information required | Notes | Response |
| Date of approval of internal rules | Format - DD/MM/YYYY | |
| Date of authorization granted by the competent body of the external mandate | Format - DD/MM/YYYY | |
| Date of report on availability of the director/manager | Format - DD/MM/YYYY | |

| 2. Publicising | | |
|-----------------------------|--|-----------------|
| Information required | Notes | Response |
| Publicising required | Yes or No | |
| Mode of publicising | Choose from the following: - Annual report - Website | |
| Date of first publicising | Format - DD/MM/YYYY | |
| Date of last publicising | Date of the latest update on the website or the latest publication in the annual report Format - DD/MM/YYYY | |

Annexe n°7 - Whistleblowing Policy

1. General Principles

The Code of Ethics of Byblos Bank of Europe S.A. ('BBE' or 'The Bank') requires all employees, officers, directors and representative ("The Staff") of the Bank to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. In this respect, the Bank has set up a procedure for receiving, retaining and handling complaints regarding accounting and auditing matters, as well as alleged irregularities of a general, operational and financial nature in the company.

The Whistleblowing Policy is a key element for safeguarding the Bank's integrity. It applies to all staff members in the three BBE units. This Policy is generally intended to make it easier for members of staff to be able to report irregularities in good faith, without having to fear that their action may have adverse consequences.

BBE will maintain the confidentiality of the complaint and anonymity of the person making the complaint to the fullest extent reasonably practicable within the legitimate needs of law.

BBE will not discharge, demote, suspend, threaten, harass, or in any other matter discriminate against an employee in the terms and conditions of employment because of any lawful or other actions done by the employee with respect to good faith reporting complaints.

2. Scope

This Policy relates to complaints, reports and concerns about questionable accounting, internal accounting controls, or auditing matters, including, but not limited to:

- fraud or error in the preparation, evaluation, review, communication, or audit of any financial statement of the Bank;
- fraud or error in the recording and maintaining of financial records of the bank;
- deficiencies in or non-compliance with the Bank's internal accounting controls;
- misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Bank;
- deviation from full and fair reporting of the Bank's financial condition;

This Policy also relates to reports of violations, including violations of: applicable laws, rules and regulations;

- the Bank's Code of Ethics;
- any other code, policy or procedure established by BBE.

3. Reporting Process

The Compliance Officer of each BBE unit is appointed as a 'Reporting Officer' in the framework of the application of the Whistleblowing Policy. The Reporting Officer shall assist the Management in implementing the procedure and is, moreover, responsible for the receipt of complaints and the preliminary investigation.

A complaint can be reported to the Reporting Officer of the BBE unit the whistleblower is working for, in the case of BBE branches, or directly to the Head Office Reporting Officer ('HORO'). Persons wishing to report verbally should be able to visit the Reporting Officer in full confidence. External meetings place should be considered for this purpose, if required.

The Reporting Officer of the involved BBE unit shall perform a preliminary investigation, as soon as a complaint has been received. In the case of BBE branches, the Reporting Officer has the opportunity to discuss a reported complaint with the Management of the unit involved before sending the file to the Head Office Reporting Officer.

All the complaint files are reported and commented by the HORO to the Head Office Management Committee.

The whistleblower shall report his complaint to the Head Office Management Committee if the HORO itself is the object of the complaint.

If the preliminary investigation has revealed serious indication of possible violations of internal or external regulation, the Head Office Management Committee shall report the complaint to the Internal Auditor in order to decide how the investigation is to be carried out.

The Reporting Officer is responsible for informing the whistleblower if the complaint has been settled or closed.

The Head Office Reporting Officer will report the aggregate of complaints reports to the Audit & Risk Committee on a bi-annual basis. The whistleblowers' names will not be disclosed.

The Reporting Officer keeps record of all his activities, reports and information received. All reports made by the Reporting Officer will be anonymous, except for those reports that are retained in his own file.

4. Confidentiality and Anonymity

Complaints may be submitted by the whistleblower on a confidential basis. Moreover, in order to encourage the whistleblower to report without fear of retaliation, the reports can be done anonymously. In this respect, the personal address of the Reporting Officer must be published.

If the Reporting Officer at some point of time is ordered and required by law to report the name of the whistleblower, he will inform immediately the whistleblower unless he has lawful reasons not to do so.

Annexe n°8 – Charter of the Remuneration Committee

1. Goal

The Board of Directors decides to create a Remuneration Committee to contribute constructively to an incentive and socially justified remuneration policy.

2. Composition and appointment

- The members of the Remuneration Committee are appointed by the Board of Directors for the duration it determines and may be dismissed by the Board of Directors at any time.
- The Remuneration Committee is composed of three directors. All members of the Remuneration Committee are non-executive directors.
- The Chairman of the Remuneration Committee is chaired by the Chairman of the Board of Directors or by another non-executive director designated for this purpose by the Board of Directors.
- The term of office of a member of the Remuneration Committee may not exceed the duration of his term of office as a director.

3. Mission

The general mission of the committee is to make recommendations to the Board of Directors on the remuneration policy for directors, members of the executive management, managers, certain independent functions, or those for which there is a risk that compensation will be incurred. excessive risk taking.

In particular, the committee:

- formulate opinions concerning the list of functions concerned by the principles of the remuneration policy;
- makes recommendations to the Board of Directors concerning the remuneration policy to be applied to executive directors and members of executive management, including compensation formulas related to benefits such as bonuses and long-term incentive plans, benefits in kind or related to pension plans and their status. With regard to the members of the executive management, these recommendations relate at least to the main contractual conditions, including the main features of the pension plans and the arrangements provided for early termination of the contractual relationship. The opinions also include key elements for determining compensation, including the relative importance of each component of compensation, performance criteria for variable components of compensation and benefits in kind;
- makes recommendations on the key elements used to determine compensation, including the relative importance of each component of compensation, the performance criteria for the variable components of compensation for the other previously defined categories of employees.

- informs the board of directors of the application of the remuneration policy at the individual level.
- examines the possibility and the procedures for determining severance pay for the managing director or a member of the management committee.
- makes recommendations to the Board of Directors on matters within its remit.

3. Working method

Convocation

- The Remuneration Committee meets at least once a year. It meets in each case before each board of directors when the board has a point on its agenda or an item within its competence;
- The Remuneration Committee meetings are convened by their chairman or at the request of a majority of the members. The convocations contain the agenda of the meeting and, except in urgent cases, are sent within a reasonable time to all members of the Remuneration Committee. If all members are present, the Remuneration Committee may validly deliberate and decide to comply with the formal requirements.

Meetings

- the Remuneration Committee can only validly deliberate and rule if at least 2 of its members are present physically or by conference call.
- Decisions are made by a majority of the votes cast by the members of the Remuneration Committee. In case of a tie, the chair of the committee has the casting vote.
- The Chair of the Board can always attend committee meetings, even when he is not a member of this committee. The CEO participates in the meetings of the Remuneration Committee when it deliberates on the remuneration of members of executive management, other than himself. The Remuneration Committee may invite other people to attend its meetings.
- The members of the Compensation Committee, or the CEO in the case referred to above, refrain from participating in the deliberations of the Committee which are intended to make recommendations as to their own remuneration.

Minutes

- The deliberations of the Remuneration Committee are recorded in minutes. The minutes are signed by the majority of the members who took part in the deliberation. A copy of the minutes of each meeting is sent to the members of the committee upon request.
- Report to the Board of Directors : The chairman of the committee, or a member of the committee designated for that purpose, shall report to the Board of Directors the opinions and recommendations of the committee for

its deliberations. If so requested, the Chairman of the Remuneration Committee provides more detailed information to the Board of Directors during the meetings of the Board of Directors regarding the results of the deliberations of the Remuneration Committee.

- External advisors: The Remuneration Committee may, at the expense of the Corporation, seek external advice and opinions on matters within its jurisdiction after informing the Chairman of the Board.

5. Miscellaneous

- The Remuneration Committee reviews and assesses the adequacy of these internal regulations each year and proposes amendments as appropriate.
- The Board of Directors may at any time modify these rules of procedure or withdraw or modify all or part of the powers entrusted to the Remuneration Committee.

Annex n°9 – Remuneration Policy

BBE (or *the Bank* or *Byblos Bank Europe*) considers the evaluation of staff members' performances as a mean to improve and develop the effectiveness of the Bank as well as a source of motivation for the Employees.

The present policy highlights the responsibilities of Employees and Managers. It presents a set of guidelines to improve the performances of the Bank through the evaluation and development of the employees' performances, independently from the implementation of the "Fit & Proper" legal requirements mentioned in the training policy.

To achieve this goal and define the general principles governing its *Remuneration policy*, while also meeting the requirements of the regulators, the *Board of Directors of Byblos Bank Europe* has created a *Remuneration committee* composed of non-executive directors. This committee meets once a year. Its overall mission is to propose, to the *Board of Directors*, the necessary recommendations on the remuneration policy for Directors, members of the Management Committee, Managers, some independent & control positions, or positions for which a possibility remains that the remuneration induces an excessive risk taking.

More specifically, the committee makes recommendations to the *Board of Directors* on the remuneration policy to be carried out for non-executive Directors and members of the Management Committee, including the types of remuneration linked to benefits such as variable remuneration and incentive packages, to long-term benefits in kind or in connection with pension plans and their statutes.

As far as the members of the Management Committee are concerned, the recommendations focus on at least the main contract conditions, including the core characteristics of pension plans and the various arrangements in the event of early termination of the contractual relationship. Opinions are also given on key elements for determining the remuneration, including the relative importance of each component of the remuneration structure, the performance criteria for variable elements of the remuneration as well as benefits in kind.

Decisions are taken by majority of votes cast by the members of the Remuneration Committee.

2 SCOPE

This policy applies to all BBE staff members.

3 RESPONSIBILITIES

All the Bank staff is involved in the performance management process.

3.1 At the beginning of each year:

The *BBE Management committee* informs the Directors of the Bank's objectives and the performance indicators.

3.2 Branch managers are responsible for:

- Explaining the objectives and priorities of the department to their Employees.
- Ensuring that all Employees are fully involved in the performance management process.
- Ensuring that each member of their team receives a performance management form (*PM Form*).
- Resolving conflicts between Managers and Employees on issues related to performance management.
- Establishing individual development plans for the department together with Heads of section and the HRM (Human Resources Manager).
- Approving the objectives, performance indicators and assessments related to their direct Subordinates and Employees.
- Reviewing the performance of their Employees twice a year.

3.3 Heads of section are responsible for:

- Reviewing the department's objectives with their direct Subordinates.
- Focusing on development and coaching of Employees by looking into the needs for internal or external training.
- Promoting communication, understanding and dialogue between Employees.
- Resolving conflicts between Employees on issues related to performance management.
- Drawing up individual development plans for their Subordinates and informing management on how their employees are performing.
- Helping Employees achieve their goals.
- Promoting regular and constructive dialogue.
- Identifying good and bad results together

3.4 The main tasks of the Employees are:

- Setting goals with their direct Managers.
- Achieving their individual performance targets.
- Participating fully in the performance management process.
- Seeking clarification on expectations relating to their functions.
- Communicating effectively, sharing information and providing feedback on performance results.
- Working on the individual development plan that they have put in place together with their direct supervisor.

3.5 The main tasks of the HRM are:

- Helping Employees and Managers to set individual objectives and performance indicators.
- Checking whether the objectives are SMART (Specific, Measurable, Agreed, Realistic and Time-bound) and whether they are cascading accordingly.
- By virtue of the regulations and guidelines issued by the competent authorities, and in collaboration with the Compliance Officer, ensure that no quantitative targets, going against the interest of the client, will neither be developed nor paid.
- Checking whether the various indicators of individual performance are linked to the business' key performance indicators (*KPI*).
- Checking whether the individual development plans are prepared at the end of the year.
- Advising and assisting Managers and Employees throughout the performance management process.
- Collecting performance management results, analysing the data and communicating information to Managers.
- At the end of the year, tally the result of the performance management process to variable remuneration, in accordance with the *Remuneration policy* in use.
- Following up on individual development plans.

4 PROCEDURES

4.1 Description of the performance management cycle

The performance management cycle consists of four phases:

4.1.1 Planning Phase - Phase 1

- At the beginning of the year, each Manager sets, for his/her subordinates, a maximum of 4 quantitative targets related to the job profile and/or the objectives of the department and the Bank. He then assigns a weight (in %) to each objective taking into account its importance and the position involved. The results should add up to 100%.
- The direct Manager, possibly in collaboration with the HRM, determines a *KPI* for each objective in order to award a grade from 1 to 4.
- The HRM launches the Performance Management process, and asks the Managers to proceed with the planning phase.
- Each Manager plans individual meetings with their members of staff. The Employees participate to the planning phase through a discussion on the objectives and performance indicators with their direct Manager.
- In parallel, the HRM provides the necessary help to Employees and Managers in setting individual goals and *KPIs*. He will also assess whether objectives are SMART and in line with the department's budget.

4.1.2 Coaching - Phase 2

- This phase involves measuring performances and providing continuous feedback to employees on the progress to be made towards achieving the set objectives.
- As part of the process, once the individual goals have been defined, the Managers must provide support throughout the year in order to monitor employees' performances and improve the workflow of the Bank.

4.1.3 Review phase - Phase 3

- A first evaluation is planned in June to determine whether the goals are achievable given the overall circumstances. Readjustments may be proposed on account of external or internal events.
- The HRM launches the Performance Management process, and asks the Managers to proceed with the review phase.
- Based on the results of the first six months, each Director will review the performances of their employees in relation to the set goals and using the relevant *KPIs*.
- If it is clear, from analysing the evaluation, that the required result for one or more target(s) is not or will not be achieved at the end of the year, the Manager will arrange an interview with the Employee in order to discuss the arisen issues and help him/her to improve his/her performances. If, for reasons beyond control, one or more objective(s) is/are no longer realistic and cannot be achieved, they may be reviewed or brought down to an acceptable level.
- Employees are strongly advised to get involved and to conduct a self-assessment in order to prepare their comments and answers.
- In December, a second performance evaluation interview is scheduled; the final grade for each objective is then allocated as per the performance indicators. The assessment of qualitative (behavioural) performance will also be communicated to the employee during the interview.
- It is up to Managers and Employees to prepare for this interview in order to discuss each decision in a constructive manner, to speak openly and to listen to each other.
- This interview must also make it possible to define an individual development plan along with a training schedule for the short, medium and long term.
- Each party adds written comments on the *PM Forms* and signs them off.
- The HRM collects all the *PM Forms* to analyse the data and generate the results in preparation for the below described Phase 4 of the process.

4.1.4 Reward Phase - Phase 4

- Once the *PM Forms* are collected, the HRM calculates the variable remuneration using the method agreed upon in the *Remuneration policy* and in line with the decisions taken by the *Remuneration committee* – cf. *Principles described in paragraph 6 of the present policy*.
- The HRM prepares and communicates the results of the calculations to the *HR committee* by department and for each employee. It contains the *PM Forms* resulting from the evaluations, a table displaying the changes in salaries, the variable remuneration calculated in line with the *Remuneration policy* and the salary increases proposed by the Managers.
- In mid-January, the *BBE HR committee*, composed of members of the *Management committee* and the HRM, reviews the *PM Forms*, the proposed salary adjustments, the bonus results and decides whether to approve or amend the proposals.
- The decision process takes into account personal and external events that may have a positive or negative impact on the proposals. At this stage, the *HR committee* reserves the right to increase or decrease the calculated variable remuneration, based on events that may have render the goal to achieve more difficult or, on the contrary, may have conceal low performances.
- The process will also account for the weaker results of the Bank with an immediate impact and readjustment on the calculated variable remuneration.
- The HRM communicates the approved proposals to the staff and implements the relevant modifications to the January payslips.
- At a later stage, the HRM collaborates with the Directors to elaborate the individual development plans, training needs for the year included.

5 PRINCIPLES OF THE REMUNERATION POLICY

The two major principles of the *Remuneration policy* in use are:

- The maximum percentage of *variable pay* (or *performance pay*) depending on the employee's position. This percentage is calculated on annual earnings (i.e. monthly salary x 13.92 for Brussels, x 13 for the Paris branch, and x 12 for the London branch).

The following scale is applied:

| Functions | Maximum bonus |
|--|----------------------|
| Top Management | 30% |
| Branch Manager | 20% |
| Assistant Branch Manager, Director Head of Commercial Head of HR | 15% |
| Head of Sections | 12% |
| Auditor, Compliance Officer, Commercial Officer Dealer | 10% |
| Officers and Junior Officers | 8% |

- A bonus table (in %) for the achieved grade:

| Grade achieved | % Bonus |
|-----------------------|----------------|
| 0 - 1 | 0% |
| 1.1 - 1.4999 | 0% |
| 1.50 - 1.999 | 0% |
| 2 - 2.4999 | 0% |
| 2.5 - 2.999 | 45% |
| 3 - 3.4999 | 70% |
| 3.5 - 3.999 | 85% |
| 4 | 100% |

- Each quantitative target is measured separately according to its specific impact, the final result is the sum of the objectives
- The qualitative result is based on the grades average for each skill