

Board Remuneration, Nominations, and Corporate Governance Committee Charter

Article 1 - Main Functions

The role of the Remuneration function is to:

- Set the over-arching principles and parameters of the remuneration policy for Bank of Beirut SAL
- Approve the annual staff bonus pool
- Recommend to the Board of Directors the remuneration scheme of the CEO and the Executive Board members to be further submitted to the General Assembly for approval
- Approve the remuneration arrangement of the C-Level and perform periodic reviews accordingly
- Exercise oversight for remuneration issues

The role of the Nominations & Corporate Governance Function is:

- Advise the Chairman and the Board on the profile and credentials to consider in the newly admitted Board members
- Make recommendations to the Board regarding succession plan for the Board members and Senior Management Officers
- Assist the Chairman of the Board in assessing the role and effectiveness of the Board performance as a whole and its Board Committees.
- Assist the Chairman and the Board of Directors in promoting the culture of good corporate governance in accordance with prevailing standards of corporate governance i) Lebanese applicable Laws, (ii) Central Bank of Lebanon Regulations, (iii) Association of Banks in Lebanon guidelines, (iv) Basel Committee documents (v) Financial Stability Forum recommendations, and (vi) OECD corporate governance principles.

Article 2 - Members of the Committee

Based on the provisions of article 4 of BDL Circular 133, The Committee consists of at least three non-executive directors whereby the Chairperson of the Committee is an independent Board member who has the practical experience to evaluate performance and remunerations, as well as the required knowledge to assess associated risks, particularly in the banking or financial sector.

The Bank Corporate Secretary is the Secretary of the Committee.

Article 3 – Meetings

3A - Frequency

The Committee meetings will occur at least semi-annually and will be convened by the Chairman where necessary and appropriate in relation to the appointment of executive and non-executive directors and senior managers. The Committee may also convene through telephone/video conference for urgent matters. The Committee may make decisions by unanimous written consent, signed by all Members.

For regular formal meetings, minutes of the meeting will be prepared by the Bank's Corporate Secretary and circulated to the members for review and signature by the Chairman at the next meeting of the committee.

3B - Quorum

The Committee shall meet in the presence of at least three members. No meeting can be held in the absence of the Chairman, unless in exceptional cases where the meeting shall be chaired by another independent Board member. Moreover, members can nominate alternates for a meeting to which they are unable to attend with the prior approval of the Chairman. The Committee may request related parties (e.g. Human Resources Manager, Chief Financial Officer) attend meetings as required.

3C - Voting rights & decisions

While all members of the Committee have equal voting rights, decisions in regard to remuneration or nomination decisions must be unanimous or else the decision will require escalation to Bank of Beirut SAL Board as the next approval authority.

Decisions are made by majority voting of the attending Committee members.

Article 4 - Authority

The Remuneration & Nominations, & Corporate Governance is a Committee of the Board of Bank of Beirut SAL, from which it derives its authority and to which it regularly reports. The Committee has authority to investigate any activity within its terms of reference and obtain full access to all information that it requires from relevant employees (e.g. Human Resources Manager, Chief Financial Officer, Corporate Secretary), bank's external auditors and lawyers as the Committee sees fit, to provide independent advice and to assist in any review or investigation on such matters as the Committee deems appropriate. Such action will only be taken after appropriate discussion between the Committee Chairman and the Board.

Bank of Beirut SAL Executive Management shall ensure that the Committee is kept properly informed and to supply the Non-Executive Directors with all the information they require in order to discharge their responsibilities as Directors of the Bank.

The Committee does not have any authority in respect of the remuneration of non-executive directors, which is determined by the Board.

Article 5 – Details of Responsibilities

The key responsibilities of the Committee are as follows:

- Review the Bank of Beirut SAL Remuneration Policy Statement and give full consideration to compliance with the relevant Central Bank of Lebanon and the Banking Control Commission circulars.
- Assist the Chairman of the Board in evaluating the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board
- Assist in identifying candidates to fill Board vacancies when they arise

- Assist in preparing a description of the roles and capabilities required for a particular Board appointment
- Review the Bank of Beirut SAL Succession Plan submitted to the Committee by the Chairman-CEO and give full consideration to succession planning for Directors and other Senior Executives in the course of its work, taking into account the challenges and opportunities facing the Bank, and the skills and expertise needed on the Board in the future
- Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace
- Stay up to date and fully informed about strategic issues and commercial changes affecting the Bank and the market in which it operates
- Have responsibility for setting the Remuneration Policy for all Executive Directors. No Director or Senior Manager shall be involved in any decisions as to their own remuneration
- Recommend and monitor the level and structure of remuneration for Senior Management
- Oversee the design of any performance-related pay schemes operated by the bank and approve the total annual payments made under such schemes.
- Assist the Board in monitoring and reviewing the Board's and the Bank's compliance with appropriate corporate governance practices and laws
- Review all Corporate Governance related documents (i.e. Guidelines, policies, etc...) before circulating them to the Board for approval
- Review and monitor the induction training programs for new Board members and ongoing training for all Board members

Article 6 - Validity of the Charter

The Committee shall review and assess the adequacy of this Charter annually, recommend amendments to this Charter at any time, and submit amendments for approval to the Board. Any amendment needs the Chairman's prior approval.

This charter is valid and fully applicable from the date of its approval by the Chairman and its ratification by the Board of Directors, and will remain applicable as long as no amendments were re-issued.

The ratification of this charter automatically cancels out and replaces any previous charter.