

Bank of Beirut SAL

Code of Ethics and Professional Conduct

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Preface

The Code of Ethics and Professional Conduct “the Code” expressly lays out the expectations of ethical behavior for all our stakeholders (customers, employees, shareholders, partners, and suppliers), built on the foundation of Bank of Beirut values, our shared set of beliefs and principles. It set forth the general principles, standards and values to which the stakeholders are expected to adhere to. Those values emphasize that, above all, we act with integrity, uphold the highest professional standards, and provide sound advice while rigorously maintaining our independence.

Our Code sets out how we should act as individuals and as leaders. It encourages us all to act as role models, promoting ethical behavior and ensuring that our own actions serve to reflect and reinforce the Bank values. Importantly, our Code gives clear direction to all stakeholders as to what they should do if they see or hear of something which falls short of our values and the standards we expect.

Importantly, our Code does not simply set the standards for our professionals to meet legal and regulatory obligations — it goes beyond compliance with our policies and procedures and sets a far higher benchmark to help ensure we meet our public interest responsibility. The Code reflects our commitment to quality and excellence with a long-term mindset.

Every one of us at Bank of Beirut is required to comply with the Code, and we will strive to consistently meet the high standards set by our Code to continue to earn public trust.

For ease of reference, Bank of Beirut Group including its branches and subsidiaries are referred to, as “Bank of Beirut”, “we”, “our” or “the Bank”.

Purpose

The purpose of the Code is to articulate the ethical framework within which the Bank operates and to place employees on notice that they will be held responsible for abiding by the articulated standards, including applicable laws. They are also expected to conduct themselves in order to protect and promote organization-wide integrity and to enhance the Bank’s ability to achieve its mission. It is not intended to create, nor does it constitute, a contract or an enforceable promise of any kind against Bank of Beirut.

The Code defines Bank of Beirut’s approach to building and sustaining a culture of ethics and integrity.

Recognizing the “Power of One”

The Code builds on our proven ability to support each other in doing the right thing. We are aware that it also cannot cover every situation. If the right choice is not apparent to you, or if you are aware of a violation of the Code, we encourage you to speak up and use your power as an individual to make a difference.

When each of us lives by our Ethical Principles, we collectively transform the “Power of One” into the “Power of Many.” Together, our passion for doing the right thing will make the Bank a model of integrity and quality now and in the future.

Compliance with the Code

All Members of Staff are required to conduct themselves in accordance with the following general principles:

- Maintain the highest standards of conduct both at and outside the Bank;
- Devote their working activities to the service of the Bank;
- Avoid possible conflicts of interest with other activities;
- Not accept other functions or employment unless expressly authorized to do so by the Bank; and
- Maintain the utmost discretion with regard to confidential information concerning the Bank.

Members of Staff are expected to exercise care and sound judgment in performing their duties. Where this Code sets out a specific standard of conduct, Members of Staff must conform to it. In other instances, Members of Staff should follow the spirit of the Code. It is incumbent on every Member of Staff to avoid not only real impropriety but also the appearance of impropriety.

Each manager and supervisor is responsible for ensuring that all employees under their supervision understand the standards of conduct contained herein and comply with them, as well as with all job-specific policies and procedures. Also, managers have a responsibility to lead by example. Managers must be positive role models to inspire others to follow the Code and to conduct business according to the highest standards of ethics and professional behavior.

The Bank anticipates all Members of Staff to act in full compliance with the principles set forth in this Code and in a manner consistent with the highest ethical standards. Failure to observe these principles may result in disciplinary action, up to and including termination of employment. Furthermore, violation of this Code may also be violation of the law and may result in civil or criminal prosecution for any staff, supervisor, manager, and/or as a result to the Bank.

The personnel conduct and behavior, whether during work or outside it, and the impact of such conduct onto the Bank's reputation, interests, employees and clients, is one of the basic criteria that the management takes into consideration in the promotion process, or in determining those deserving benefits and remunerations, or upon imposing penalties.

We ensure that the principles set out in this "Code" are applicable to our local and international branches and subsidiaries.

Updating the Code

The Bank reserves the right to update, modify, revise, discontinue, or amend any or all of the Code as it deems appropriate, at any time, in whole or in part, for any reason, and without prior notice, consent, or approval. Such actions will be communicated to all staff either through internal memos, e-mails, intranet, or any other mean. It is the responsibility of all staff members to be aware of the current rules and procedures applicable to their business units.

Reporting Actual and Potential Violations

Members of Staff have the responsibility to read, understand and comply with the Code. We also have a responsibility to raise our voice when we become aware of anything that is inconsistent with it.

We are required to report fraud or attempted fraud, possible violation of a law, regulation or any policy and procedure, and most importantly any unusual transaction that does not match the customer's profile. It also applies if you are being asked to do something that is improper or illegal.

Members of Staff are free to use, without fear of reprisal, the existing institutional channels for conflict resolution, and to express their queries and concerns to their line manager, the Head of Compliance, the Human Resources Manager or the Group Internal Audit about situations which are, or have the potential to be, an infringement of the Code. Members of Staff shall not be prejudiced in any way for preventing or reporting an infringement of the Code.

Shared Values unite the people of the Bank of Beirut Group and constitute the basis for a common culture. These values form the foundation for always doing the right thing, and for sustaining the public trust, fulfilling client obligations and meeting commitment to each other.

The Bank strongly encourages Members of Staff to report, in good faith, possible ethical issues, violations of rules, laws and regulations, and prohibits any retaliatory action against any individual for raising legitimate concerns or questions regarding ethical matters or for reporting actual or suspected violations.

The Code

In the interests of their professional standing, and to protect the reputation of the Bank, Members of Staff shall maintain the highest standards of conduct both at and outside the Bank.

- We shall act honestly and impartially, and carry out their duties diligently, efficiently and to the best of their abilities.
- Members of Staff are required to devote their working hours to the interests of the Bank. In particular, we may not conduct other activities in or from within the Bank in ways that interfere with the performance of their professional duties.
- Members of Staff may only commit the Bank to engagements on matters falling within the scope of their responsibilities. We should, as far as possible, avoid committing the Bank to an engagement on the Bank's behalf in a situation where the outcome may be detrimental to the interests of the Bank. When committing the Bank to an engagement in writing, we should be reasonably satisfied that the supporting document accurately reflects the engagement.
- Members of Staff should treat all their colleagues with courtesy and respect, without harassment or physical or verbal abuse. Members of Staff should avoid behavior that, although not rising to the level of harassment or abuse, may nonetheless create an atmosphere of hostility or intimidation.
- Members of Staff shall avoid any form of discrimination based on race, nationality, gender, age, physical disability, sexual preference, political opinions, or religious convictions.
- Members of Staff are responsible for ensuring that Bank resources, including Bank funds and facilities, are used for business purposes only, unless private use is permitted under a relevant service note or other internal rule. We should also ensure that Bank resources are used in an appropriate manner and that reasonable measures are taken to limit costs and expenses incurred by the Bank. With respect to travel on official business of the Bank, the provisions of the relevant service note apply.

Principle 1 – General Principles

Professionalism

- We comply with applicable professional standards, laws and regulations and seek to avoid actions that may discredit ourselves or our professions;
- We foster a culture of appropriate professional skepticism and personal accountability which supports clients and drives quality in the services we provide;
- We understand the broader impact that our work has on society, our people, and our clients, and we conduct business with those interests in mind;
- We are committed to earning and sustaining the public's trust and confidence in the work we do;
- Members of Staff are entitled to a safe working environment that is inclusive and free from discrimination, bullying and harassment.

Client's Best Interest

- Members of Staff should give priority to serving the interests of the Bank's clients, without giving unfair preference to any individual or group of individuals. We ensure that clients are adequately informed of, and understand, the risks they may incur by entering into proposed transactions especially if they do not have extensive experience in dealing with such transactions. The product should also be suitable for, and meet the specific requirements of each customer.

Integrity

- We are straightforward and honest in our professional opinions and business relationships.
- We are truthful about the services we provide, the knowledge we possess, and the experience we have gained.

Quality

- We are committed to providing quality services by bringing together the breadth and depth of our resources, experience and insights to help clients address their needs and problems.
- We strive to develop outcomes which create an impact that matters for our clients.

Objectivity

- We are objective in forming our professional opinions and the advice we give.
- We do not allow bias, conflict of interest, or inappropriate influence of others to override our professional judgments and responsibilities.
- We do not offer, accept or solicit any gifts, entertainment or hospitality that we have reason to believe may be intended to improperly influence business decisions or impair objectivity.

Avoidance of Potential Conflicts of Interest

- As professionals, we make business decisions every day. In making such decisions, we are responsible for remaining free from the influence, or the appearance of influence, of any conflicting interests, and for conducting business ethically and legally. We have a duty to avoid making business decisions that place personal interests ahead of those of Bank of Beirut.
- Members of Staff shall, as far as possible, avoid any situation where their private or personal interests may conflict with their duties to the Bank. "Private or personal interests" means any potential benefit or advantage for themselves, their spouse or partner, a member of their family, a relative or a friend.

- Members of Staff may not accept any gift of more than modest value or hospitality from any third party in connection with their duties to the Bank. In particular, due care should be taken to avoid any impression of seeking or accepting any advantages from potential or current business partners of the Bank. Members of Staff may not accept any gift in cash or the equivalent of cash by a third party.
- Conflicts of interest must be resolved fairly and with the utmost neutrality so as never to place clients at a disadvantage position. Staff should take care not to generate conflicts of interest between their professional and their outside activities. Also, staffs are not allowed to exercise any outside activity prior to obtaining management authorization.

Banking and Professional Secrecy

- We should comply with the principle of banking and professional secrecy and respect the obligation of discretion in order to protect business confidentiality and abide by applicable laws and regulations. The circulation of confidential information should be limited to staff members on a need-to-know basis.

Compliance with Regulatory Requirements

- To meet legal and compliance obligations, we should comply with the letter and spirit of the rules and regulations of the markets in which they operate and refrain from conducting any transaction that may violate laws and regulations. The Bank will strive to ensure that all activity by or on behalf the Bank is in compliance with all applicable laws and regulations in the jurisdictions where the Bank has physical presence, as well as in any other jurisdiction that might be affected.

Fraud, Money Laundering, and Terrorism Financing Prevention

- We should act to prevent corruption, fraud, money laundering, and financing of terrorism. Client relations should be based on an in-depth understanding of a client's background starting with full identification, and awareness of its activities. Employees must comply with relevant laws and regulations, and with the bank's AML/CFT Compliance policy.
- Those who suspect money laundering, or who are faced with questionable or irregular activities, must report their suspicions immediately to the Compliance Department.

Anti-Bribery and Corruption

- We are against corruption in any form and stand firmly against bribery in order to contribute to good governance, economic development, and the improvement of social welfare wherever we do business. We are also committed to working in an ethical, lawful, and professional manner as set forth in Bank of Beirut's policies and procedures.
- All personnel are prohibited from paying and accepting bribes including inducing or permitting any other party to make or receive bribes on their behalf. Bribes include political contributions, charitable contributions, facilitation payments, gifts, entertainment and hospitality which may be construed as a subterfuge for bribery.

Rules of Professional Conduct in Capital Markets

- We comply with applicable laws and regulations issued by the Capital Markets Authority, mainly Annex 1 of Series 3000, and we ensure that our registered persons and other employees recognize their obligations under the code of professional conduct including but not limited to:
 - Make a thorough assessment of each customer's situation and investment objectives.
 - Disclose to customers all information that is relevant to a proposed transaction, in particular the risks involved.

- Take reasonable care to ensure the suitability of advice and discretionary decisions for clients.
- Require that a client agreement be signed with each client that meets the requirements of this Regulation.
- Prohibit the use of any inside non-public information, directly or indirectly.
- Prohibit the use of any manipulative or deceptive acts or practices, as prescribed in the Market Conduct Regulation.
- Adopt a clear policy to ensure the fair distribution of securities amongst investors.
- Compliance with the provisions of articles 3310 (duties to clients, including managing conflicts of interest) and 3312 (use of commissions and fees)
- Appoint a person responsible for compliance and monitoring, and investigating any complaints received.
- Develop thorough written policies and procedures, and review them periodically to ensure they are up-to-date.
- Disclose to each client on a periodic basis certain topics, mainly: (i) the investment performance of its account, (ii) all investment-related fees, expenses and commissions charged to its account, (iii) The institution's policies on trading in securities and allocating transactions among investors, (iv) Audit results in financial entities, & (v) the methods of assessing investments.

Principle 2 - Business Ethics

In furtherance of the Bank's commitment to the highest standards of business ethics and integrity, employees will accurately and honestly represent the Bank and will not engage in any activity or scheme intended to defraud anyone of money, property, or honest services. The Standards set forth below are designed to provide guidance to ensure that the Bank business activities reflect the high standards of business ethics and integrity.

Honest Communication

- The Bank requires honesty from individuals in the performance of their responsibilities and in all communications. The Bank will strive to provide timely and accurate information to customers. No employee shall make false or misleading statements to any customer, person or entity doing business with the Bank about other customers, persons or entities doing business or competing with the Bank, or about the products or services of the Bank or its competitors.

Marketing, Advertising and Media Interviews

- The Bank will use marketing and advertising to educate its customers and prospective customers about its services and to encourage business growth and development. We will present to the best of our ability and knowledge truthful, informative and accurate information in all advertising and marketing and, where necessary, submit advertising and marketing materials for regulatory review.
- Employees must get approval from Senior Management before publishing any material e.g. articles, making speeches, giving interviews or making public appearances connected to the Bank or its business interests or employee's position with the Bank.

Social Media

- When using social media sites, platforms and applications (i.e. Facebook, Messenger, Twitter, Instagram, LinkedIn, Snapchat, WhatsApp, etc.,) whether for personal or permitted business reasons and whether during or outside of work, staff must follow the general principles below:

- Never act as an authorized spokesperson for Bank of Beirut;
- Never discuss or disclose any confidential financial information or other non-public proprietary company information or any confidential information regarding the bank's clients, shareholders, vendors, suppliers or business partners.
- We are expected to adopt the following guidelines when using social media:
 - When using social media, you should not do so anonymously or under a pseudonym. If you have what could be perceived as a conflict of interest in something you are discussing, be the first to point it out. Speak in the first person and bring your own personality to the forefront.
 - You should be mindful of how you present yourself and how you treat others. Express your perspectives and show your personality, but always with respect.
 - If you see something in social media that appears to violate Bank of Beirut's policies or could be harmful to the Bank, it is your responsibility to address the issue by notifying the original contributor; editing the content, if that is appropriate and allowed for the media you are in; or reporting your concern. If you are an affiliated member with Bank of Beirut's social media, it is your responsibility to monitor the activity and content for appropriateness.
 - In personal social media, particularly if you might be identified as a Member of Staff of the Bank, be sensitive to the fact that your communications may be considered a position of Bank of Beirut. Remember, anytime that you can be identified as a Bank of Beirut person, even in a non-business context, you are impacting the way others look at the Bank.
 - Social media should be used in a way that adds value by helping you, your coworkers, or our clients do their jobs and solve problems; increase knowledge or improve skills; contribute directly or indirectly to the improvement of the Banks' services and processes; or enhance the strength of the Bank.
 - If you are about to publish something that gives you even the slightest doubt, consult with the appropriate channels within the Bank. Ultimately, though, you are responsible for what you post or publish in any form of social media.
 - Be sure that your use of social media is consistent with how you wish to present yourself to colleagues and to friends. If you make an error, acknowledge the error and correct it quickly.
 - What sounds great today could tomorrow reach an unintended audience with unexpected consequences. Consider the reach and longevity of the internet before you publish.

Misappropriation of Proprietary Information

- We shall not misappropriate confidential or proprietary information belonging to another person or entity, nor utilize any publication, electronic data, document, computer program, information, or product in violation of the Bank's or a third party's interest in such product.
- We should ensure that they do not improperly copy for their own use documents or computer programs in violation of applicable copyright laws or licensing agreements.
- We shall not utilize confidential business information obtained from competitors, including customer lists, interest rates, contracts, or other information likely to provide an unfair competitive advantage to the Bank. It is not acceptable for the Members of Staff to obtain confidential information about a competitor by unlawful means or when doing so would violate a contractual obligation.

Employee Conduct

- Gambling and Lotteries: Gambling activities and online betting for money or anything of value are absolutely prohibited. In addition, recurring attendance to un-respectful clubs is discouraged. An employee shall not participate in any excessive lottery activity.
- Alcoholic Beverages: The Bank prohibits the sale or consumption of alcoholic beverages by anyone on the Bank's premises. The Bank prohibits an employee from reporting to work or performing

job duties if, as a result of consuming alcoholic beverages, the employee is under the influence of alcohol.

- Illegal Drugs: An employee shall not possess, use, sell, distribute any drug or any unauthorized substance.
- Firearms/Hazardous Materials: The possession or use of firearms or other lethal weapons, explosives or hazardous materials by an employee on Bank premises is prohibited. This restriction does not apply to items that are owned by the Bank for security reasons and used by a Bank authorized employee in the conduct of Bank business.
- Smoke-Free Environment: All facilities and property owned and operated by the Bank are smoke-free environments. It is prohibited to use of any smoking materials or products by employees, including cigarettes, cigars, pipes, or other devices such as e-cigarettes, or vaporizers inside the Bank premises and properties.
- Bribes and Kickbacks: Directors, officers and employees should not give, solicit or receive bribes or kickbacks.
- Insider Trading: Our staff may, in the course of performing their duties, come into possession of “material non-public information” about our clients and the companies with whom they do business. “Material non-public information” is any information that would affect the prices of securities, either positively or negatively, that is not generally available to the investing public. This information is generally referred to as “insider information”. Engaging in trading activities using “insider information” is referred to as “insider trading”. Directors, officers and employees should not be engaged in or support insider trading activities. The misuse of inside information undermines the financial system and unfairly disadvantages others in the market.
- Illegal Activity: Officers or employees engaged in activities found to be in conflict with and against laws, regulations, or guidelines will be subject to termination of employment. Examples of illegal activity include, but are not limited to:
 - Embezzlement;
 - Frauds such as forgery, counterfeiting, and check kiting;
 - Unauthorized use of funds, revenues and fees;
 - Abuse of expense, asset, and liability accounts;
 - Attempting to cover up defective work without reporting mistakes to your Supervisor;
 - Fighting or engaging in any form of harassment, including sexual harassment;
 - Bribery and Corruption.

In addition, any director, officer, or employee who is charged with, or is entering into a pretrial diversion or similar program for any crime involving breach of trust, dishonesty, money laundering, a drug-related offense, a crime of violence, or a felony must immediately notify the Head of Human Resources with a copy to the Head of Compliance and the Group Internal Audit.

- Political Activities: No corporate funds are to be used for political contributions. Any officer, employee or director participating in political activities does so as an individual and not as a representative of the Bank. To avoid any possible conclusion of corporate or affiliate Bank sponsorship or endorsement, the corporate name or address should not be used in mailed material, fund collection, nor be identified in any advertisement or literature, unless specifically approved in advance and in writing by the Chairman – General Manager.

Also, the Bank's premises should not be used to support any political party, neither by discussion of political matters which may create a conflict between employees themselves or between employees and customers, nor by displaying political materials favoring political parties.

External Activities

- The privileges and immunities given to Members of Staff are intended solely to ensure the freedom of action of the Bank and the complete independence of the persons concerned in carrying out their duties with respect to the Bank. These privileges and immunities shall in no way exempt Members of Staff from fulfilling their private obligations or from complying with applicable national laws and regulations.

Principle 3 - Confidentiality

Members of Staff shall strive to maintain the confidentiality of customer information, proprietary information, and other confidential information in accordance with applicable legal and ethical standards.

We are in possession of and have access to a broad variety of confidential, sensitive, and proprietary information, the inappropriate release of which could be injurious to the Bank's customers and to the Bank itself. The Bank has an obligation to actively protect and safeguard confidential, sensitive, and proprietary information in a manner designed to prevent the unauthorized disclosure of information.

Customer information and proprietary information is considered as "non-public" and should never be accessed for other than business reasons. Employees must protect the confidentiality of "non-public" information they obtain in connection with their employment while working at the Bank, and after they cease their employment with the Bank.

Customer Information

- The Bank is entrusted with important information about its customers. This information is vital to our ability to provide quality products and services. It includes personal data, information about a client's plans (merger, increase of capital, etc.), and any other information that could be deemed material to our clients.
- It is our responsibility to safeguard any information shared by our customers with us, in accordance with the strict standards of security and confidentiality. We shall refrain from revealing any personal or confidential information concerning customers unless permitted by law or authorized by customer. If questions arise regarding an obligation to maintain the confidentiality of information or the appropriateness of releasing information, employees should refer to the Compliance Department or seek guidance from management/Legal Department.

Proprietary Information

- Information, ideas, systems, products, earnings projections, and other assets of the Bank are important to the Bank's success. Information pertaining to the Bank's competitive position or business strategies, and information relating to negotiations with employees or third parties should be protected and shared only with employees having a need to know such information in order to perform their job responsibilities. We should exercise care to ensure that this information is carefully maintained and managed to preserve and protect its value.

Personnel Information

- Personnel files, payroll information, disciplinary matters, and similar information shall be maintained in a manner designed to ensure confidentiality in accordance with the Bank's policies and procedures. We should exercise due care to prevent the release or sharing of information beyond those persons who may need such information to fulfill their job function on a need-to-know basis.

Confidentiality, Privacy and Data Protection

i. Confidential and proprietary information

Our personnel have access to significant amounts of client information that may not be available to the public. Accordingly, you are required to preserve the confidentiality of information obtained in client service, as per the bank's internal policies and procedures, as well as Lebanon's Banking Secrecy Law.

Information of a private and sensitive nature must be used responsibly, controlled, and protected to prevent arbitrary and careless disclosures. The disclosure of confidential client information is prohibited to:

- Anyone within the client's personal or professional entourage without a need to know; or
- Anyone within Bank of Beirut or Bank of Beirut affiliates and subsidiaries, unless there is a legal or professional right or duty to disclose, or a written client consent has been obtained.

Confidential or proprietary information about our clients, our organization, or other parties, which has been gained through employment with Bank of Beirut, shall not be used for personal advantage or for the benefit of third parties.

You should always keep in mind that:

- We protect and take measures to safeguard the confidential and personal information that we hold, collecting and handling it in compliance with applicable laws, professional obligations, and our own data management policies and practices.
- We prohibit disclosure of confidential and personal information entrusted to us unless granted permission or there is a legal or professional right or duty to disclose.
- We prohibit the use of confidential information about our clients for personal advantage or for the benefit of third parties.
- Discussions of work in the presence of third parties whether outside the Bank or even in another department inside the Bank could lead to inadvertent disclosure of confidential information:
 - Do not discuss confidential matters in lifts, corridors, or other shared facilities within the Bank premises;
 - Avoid discussing confidential matters in public places such as taxis, restaurants, and other public places;
 - If it is necessary to discuss office matters in public place, care should be taken to avoid mentioning any customer's name or other details which might reveal a client's identity or information about a particular transaction;
 - Do not leave confidential documents lying unattended on your desk, particularly overnight or at lunch time;
 - Preliminary draft documents not being retained should be placed in paper shredders;
 - In the case of potentially sensitive transactions such as mergers and acquisitions, bid financings or unusually large financing commitments that have not been publicly disclosed, it is particularly important to take special precautions.

ii. Privacy and data protection

We are committed to complying with applicable laws and regulations governing privacy and data protection. We shall only collect personal information that is necessary for legitimate business or legal purposes. In handling any personal information, we shall process this data fairly and lawfully; keep it accurate and up-to-date; use it only for its intended, legitimate purposes; keep it secure and confidential; and retain it as long as needed, consistent with applicable laws. We shall not

disclose people's personal information to anyone who is not meant to be aware of such information, unless it is necessary for them to perform specific and authorized tasks. We shall not disclose people's personal information to any person or entity outside Bank of Beirut unless expressly authorized to do so.

iii. Reporting a confidentiality incident

Data breaches may lead to a confidentiality incident – any event where there is knowledge or reasonable belief of an actual or potential unauthorized disclosure, or use of, or access to confidential information. A confidentiality incident may expose Bank of Beirut to legal risks, financial risks and reputational risks. All confidentiality incidents are primarily reported to your Manager. If your Manager is not contactable, a report should be made to the Audit Department and/or Human Resources Department. Where a breach of security leads to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, personal data transmitted, stored or otherwise processed, the Data Protection Officer is immediately informed by e-mail to data.protection@bankofbeirut.com.lb.

Chinese Walls

“Chinese Walls” are information barriers implemented within firms to separate and isolate persons who make investment decisions from persons who are privy to undisclosed material information which may influence those decisions.

In addition to the general principles regarding confidentiality and the passing of confidential information outside the Bank, there are also important procedures governing the passing of information within the Bank. These are often referred to as Chinese Walls which require sensitive information obtained by persons employed in one part of the Bank to be withheld from persons in another part of the Bank.

Ordinary customer information should only be passed to another employee, even within the group, on a need to know basis. On the other hand, other sensitive information is subject to significantly greater control. Such information must only be used for legitimate business purpose for which it was given, and must not under any circumstances be passed to anyone inside or outside the bank not directly concerned with that specific information nor retained.

Principle 4 - Conflicts of Interest

Members of Staff owe a duty of undivided and unqualified loyalty to the Bank. Persons holding such positions may not use their positions to profit personally or to assist others in profiting in any way at the expense of the Bank.

We are expected to regulate our activities so as to avoid actual impropriety or the appearance of impropriety that might arise from the influence of those activities on business decisions of the Bank, or from disclosure or private use of business affairs or plans of the Bank. In connection with this Principle, any conflicts of interest must be disclosed.

Outside Financial Interests

While not all-inclusive, the following will serve as a guide to the types of activities by Members of Staff, or a family member of such person, that might cause conflicts of interest:

- Ownership in, management control or employment by any outside concern that does business with the Bank. This does not apply to stock or other investments held in a publicly held

corporation, provided the values of the stock or other investments are not significant. The Bank may, following a review of the relevant facts, permit ownership interests if management concludes that such ownership interests will not adversely impact the Bank's business interest or the judgment of the covered person;

- Representation of the bank by Members of Staff in any transaction in which such personnel or a family member has a substantial personal interest;
- Disclosure or use of confidential, special, or inside information of or about the Bank, particularly for personal profit or advantage of the Bank's personnel.

Services for Competitors and Vendors

Members of Staff shall refrain from performing work or rendering services for any competitor of the Bank or for any organization with which the Bank does business or that seeks to do business with the Bank outside of the normal course of his or her employment with the Bank without the written and prior approval of the Chairman – General Manager or the Head of Human Resources (copy of approval to the Head of Group Compliance and Head of Group Internal Audit).

Nor shall any such employee be a director, officer, or consultant of such an organization, nor permit his or her name to be used in any fashion that would tend to indicate a business connection with such organization without the written and prior approval of the Chairman – General Manager or the Head of Human Resources (copy of approval to the Head of Compliance).

Participation on Boards of Directors

- Members of Staff must obtain written approval from the Chairman – General Manager prior to serving as a member of the Board of Directors of any organization whose interests may conflict with those of the Bank. The Bank personnel who are asked, or seek to serve on the Board of Directors of any organization whose interest would not impact the Bank (for example, civic [non-governmental], charitable, fraternal, and so forth) will not be required to obtain such approval, but he/she must disclose it;
- The Bank retains the right to prohibit membership on any Board of Directors to any of its personnel if such membership might conflict with the best interests of the Bank;
- Questions regarding whether or not Board participation might present a conflict of interest should be discussed with the Chairman – General Manager.

Honoraria

Members of Staff are, with the permission of their supervisors, encouraged to participate as faculty and speakers at educational programs and functions. Any honoraria or other payments shall be submitted to the Head of Human Resources for written approval.

Requirement to Avoid Conflicts of Interest

Employees should either avoid any conflict of interest or, where conflicts arise, employees should ensure fair treatment of the Bank's customers. This is accomplished by disclosure, internal rules of confidentiality or possibly by declining to act. In all cases, employees should not unfairly place the Bank's interests above those of the customers.

If Members of Staff are aware that a conflict of interest exists, then reasonable steps must be taken to ensure fair treatment to the customer. One way in which the Bank could ensure fair treatment is to disclose the conflict, although such action would be determined by the nature of the customer relationship and thus be limited to specific circumstances. Another way in which the Bank manages potential conflicts of interest is through Chinese Walls policy.

Requirement to Disclose Material Interest

If an employee is aware that the Bank may have a material interest in the outcome of a transaction, other than obtaining its usual fee/commission, or that the Bank has a conflict of interest in a proposed transaction, the employee should take steps to ensure fair treatment of customers. The following is some examples of what constitutes a material interest.

If the Bank is writing a research report on a company and the Bank has a significant trading position or a strategic shareholding interest in that company, the Bank may be said to have a material interest in the publication of the report.

If a Member of Staff is a shareholder or has some other interest in a company and a customer is considering entering into a transaction with respect to that company, the Bank's employee may be deemed to have material interest in the transaction.

If a Member of Staff has a material interest in relation to a proposed transaction, and if he/she is aware of such interest, the employee must take reasonable steps to ensure fair treatment to the customer involved or is part of the transaction. One way in which the Bank could ensure fair treatment is to disclose the material interest.

Principal 5 - Business Relationships

Business transactions with vendors, contractors, and other third parties shall be transacted free from offers or solicitation of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction.

The Standards set forth below are intended to guide key employees in determining the appropriateness of the listed activities or behaviors within the context of the Bank business relationships, including relationships with vendors, providers, subcontractors and government entities. It is the intent of the Bank that this policy be construed broadly to avoid even the appearance of improper activity. If there is any doubt or concern about whether specific conduct or activities are ethical or otherwise appropriate, you should contact the Head of Compliance or a member of the Board Compliance Committee.

Gifts and Gratuities

It is the Bank's desire to at all times preserve and protect its reputation and to avoid the appearance of impropriety.

- Gifts from Customers: Employees are prohibited from soliciting tips, personal gratuities, or gifts from customers, and from accepting monetary tips or gratuities. Employees may accept gratuities and gifts of a nominal value (i.e., less than \$100) from customers. If a customer wishes to present a monetary gift, he or she should be referred to the employee's supervisor and/or to the Head of Human Resources.
- Gifts Influencing Decision-Making: Employees shall not accept gifts, favors, services, entertainment, or other things of value to the extent that decision-making or actions affecting the Bank might be influenced. Similarly, the offer or giving of money, services, or other things of value with the expectation of influencing the judgment or decision-making process of any purchaser, supplier, customer, government official or other person by the Bank is absolutely prohibited. Any such conduct must be reported immediately to the Head of Human Resources with copy to the Head of Group Compliance and Head of Group Internal Audit.

- Gifts from Existing Vendors: Employees may retain gifts from a vendor if the gifts have only a nominal value (i.e., less than \$100). If the value of the gift exceeds \$100, then the gift must be reported to the Bank's Head of Human Resources with a copy to the Head of Group Compliance and Head of Group Internal Audit. If an employee has any concern whether a gift should be accepted, the employee should consult with his or her supervisor. To the extent possible, these gifts should be shared with the employees' co-workers. Employees shall not accept excessive gifts, meals, expensive entertainment, or other offers of goods or services that have more than a nominal value, nor may they accept gifts from vendors, suppliers, contractors or other persons unless approved by the Head of Human Resources.
- Vendor-Sponsored Entertainment: At a vendor's invitation, an employee may accept meals or refreshments at the vendor's expense. Occasional attendance at a local theater or sporting event, or similar entertainment at vendor expense may also be acceptable. In most circumstances, a regular business representative of the vendor should be in attendance with the employee. Nothing in this policy shall prohibit a department manager from establishing stricter rules relating to the acceptance of gifts, gratuities, or other things of value from vendors.

Workshops, Seminars, and Training Sessions

- Attendance at local, vendor-sponsored workshops, seminars, and training sessions is permitted. Attendance, at vendor expense, at out-of-town seminars, workshops, and training sessions is permitted only with the approval of an employee's supervisor and Human Resources.

Business Inducements

- Members of Staff shall not seek to gain any advantage through the improper use of payments, business courtesies, or other inducements. Offering, giving, soliciting, or receiving any form of bribe or other improper payment is prohibited.
- In addition, authorized employees may provide gifts, entertainment and meals of nominal value to the Bank's customers, current and prospective business partners and other persons when such activities have a legitimate business purpose, are reasonable, and consistent with all applicable laws.

Principal 6 - Protection of the Bank's Assets

Members of Staff will strive to preserve and protect the Bank's assets by making prudent and effective use of the Bank's resources and properly and accurately reporting their financial condition. The Standards set forth below are intended to guide key employees by articulating the Bank's expectations as they relate to activities or behaviors that may impact the Bank's financial health or that reflect a reasonable and appropriate use of the assets.

Internal Control

- The Bank has established control standards and procedures to ensure that assets are protected and properly used and that all records and reports kept in the course of the Bank's business are accurate and reliable. All employees share the responsibility for maintaining and complying with required internal controls.

Financial Transactions and Reporting

- All of the Bank business transactions shall be carried out in accordance with management's general or specific directives. All of the Bank's books and records shall be kept in accordance with generally accepted accounting standards, except where statutory standards are applicable. All

transactions and assets shall be completely and accurately recorded on the Bank's books and records on a consistent basis.

- No payment shall be approved, made or requested with the intention or understanding that it will be used for any other purpose other than that described in the supporting documentation of the payment.
- All financial reports, accounting records, reports, expense accounts, timesheets and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. Improper or fraudulent accounting, documentation, or financial reporting is contrary to the policy of the Bank and may be in violation of applicable laws.

Accuracy, Retention and Disposal of Documents and Records

- Employees are responsible for the integrity and accuracy of the Bank's documents and records, not only to comply with legal and regulatory requirements, but also to ensure that records are available to defend the Bank's business practices and actions. No one may alter or falsify information on any record or documents. Business records shall be maintained, retained, and destroyed in accordance with applicable law and the Bank's policies and procedures.

Communications Systems

- All communications systems, electronic mail, Internet access, facsimile, telephone service or voice mail are the property of the Bank and are to be used primarily for business purposes. Limited, reasonable personal use of the Bank's communications systems is permitted; however, you should assume that such communications are not private. Customers' information should not be sent by any method for which security and confidentiality cannot be ensured.
- Subject to any applicable laws and the Bank's policies and procedures, the Bank reserves the right to periodically access, monitor and disclose the contents of its communications systems. We may not use the Bank's communications systems or access to the Internet at work to post, store, transmit, download, or distribute any threatening, knowingly, reckless or maliciously false, or obscene materials.
- Additionally, the Bank's communications systems may not be used to send chain letters, personal broadcast messages or copyrighted materials that are not authorized for reproduction. They are not to be used for job searches.
- Members of Staff who misuse the Bank's communications systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action in accordance with the Bank's corrective action policy, up to and including termination.

Travel and Entertainment

- Travel and entertainment expenses should be consistent with the employees' job responsibility and the organization's needs and resources. It is the Bank's policy that an employee should not suffer a financial loss or a financial gain as a result of business travel and entertainment. Employees are expected to exercise reasonable judgment in the use of the Bank's assets and to spend the Bank's assets as carefully as they would spend their own.

Use of Corporate Assets

- All employees are expected to refrain from converting the Bank's assets to personal use. All property and business of the Bank shall be conducted in the manner designed to further the Bank's interest rather than the personal interest of an individual employee. Employees are prohibited from the unauthorized use or taking of the Bank's equipment, supplies, materials or services. Prior to engaging in any activity on the Bank's time that will result in remuneration to the employee or the use of the Bank's equipment, supplies, materials, or services for personal or non-work-related

purposes, employees shall obtain the approval of the Head of Human Resources (with a copy of approval to the Head of Group Compliance and Head of Group Internal Audit).

Respect the Community and the Environment

- Members of Staff have a responsibility of reducing the effect of our operations on the environment by managing the resources we use across our operations, raising staff awareness about the importance of caring for the environment, and working with our clients to reduce risks. Also, all employees are expected to respect human rights impacted by our activities with employees, suppliers and clients.

Principal 7 - Whistleblowing Policy

The Bank requires prompt reporting by employees of any alleged or suspected illegal activity or violations of this Code of Conduct. This helps to maintain a culture of strong ethics, integrity and transparency.

Reporting of Complaints

- Any employee of the Bank must report any complaints or concerns regarding questionable treatment or alleged violations with respect to the present Code of Conduct or any other matters. A complaint may be submitted confidentially or anonymously to the Head of Group Internal Audit by e-mail to audit@bankofbeirut.com.lb.
- If the complaint is written and sent via the mail, the employee should mark the envelope as “private and confidential.” If an employee wishes to discuss the matter orally, he or she should indicate this in the submission and include a telephone number at which he or she might be contacted if deemed appropriate.
- To the extent possible, any complaint should be factual rather than speculative or conclusory, and should contain as much specific information as possible to allow for proper assessment. The Complaint describing an alleged violation or concern should be candid and set forth all of the information that the employee knows regarding the allegation or concern.

Whistleblower Protection

- As the Bank requires its employees to adhere to the letter and the spirit of the law; it also provides protection to those employees who aid entities in investigating violations of laws.
- The Bank shall not discharge, demote, suspend, threaten, harass, or discriminate against any employee who (a) provides information during an investigation, or (b) files, testifies, participates in, or otherwise assists in a proceeding filed, that relates to a violation of any law relating to fraud, when the information is provided to; or conducted by a person with supervisory authority over the employee; or who has the authority to investigate, discover or terminate misconduct.
- Any officer, director or employee responsible for reprisals against an employee for reporting good faith known or suspected violations of the code or law, will be subject to disciplinary action, up to and including discharge.
- However, employees who file reports or provide evidence which they know to be false or without a reasonable belief in the truth and accuracy of such information will not be protected by the above policy statement and may be subject to disciplinary action, including termination of their employment.