

CHARTER OF THE BOARD REMUNERATION AND NOMINATIONS

COMMITTEE

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 function is to:

- Advise the Chairman and the Board on the profile and credentials to consider in the newly admitted Board members
- Assist the Chairman of the Board in assessing the role and effectiveness of the Board performance as a whole
- Exercise oversight in assisting and advising the Chairman in relation to Board related matters and compliance with the prevailing laws & regulations governing Board responsibilities.
- Assist the Chairman and the Board in promoting culture of good corporate governance and risk management

Article 2 - Members of the Committee

The Committee will consist of the following:

Members:

- Independent Non-Executive Director (Chair).
- Independent Non-Executive Director
- Non-Executive Director

Secretary

- The Non-Executive Director

Members can nominate alternates for a meeting to which they are unable to attend with the prior approval of the Chairman. The Rem&Nom may request that other persons attend meetings as required.

Article 3 – Meetings

3A - Frequency

Rem&Nom meetings will typically occur on a semi-annual basis and be convened by the Chairman where necessary and appropriate in relation to the appointment of executive and non-executive directors and senior managers. The Rem&Nom may also convene through telephone/video conference for urgent matters. The Rem&Nom may make decisions by unanimous written consent, signed by all Members.

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

3B - Quorum

A quorum for the annual Rem&Nom Meeting requires no fewer than two members to be present, including the Chairman or his designate.

3C - Voting rights & decisions

Whilst all members of the Rem&Nom have equal voting rights, decisions in regard to remuneration or nomination decisions must be unanimous or else the decision will require escalation to BoB SAL Board as the next approval authority. The Chairman will have a right of veto / escalation to the Bank of Beirut SAL Chairman; and any senior hires will also need to be approved by Bank of Beirut SAL Board.

Article 4 - Authority

The Committee is a Committee of the Board of Bank of Beirut SAL, from which it derives its authority and to which is regularly reports. The Rem&Nom has authority to investigate any activity within its terms of reference and obtain full access to all information that it requires from any employee, firm of accountants, lawyers or other professionals as the Rem&Nom sees fit, to provide independent advice and to assist in any review or investigation on such matters as the Rem&Nom deems appropriate. Such action will only be taken after appropriate discussion between the Rem&Nom Chairman and the main Board.

Bank of Beirut SAL Executive Management has an obligation to ensure that the Rem&Nom 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 and which shall be a matter for the Chairman and executive members of the Board.

Article 5 – Details of Responsibilities

The key responsibilities of the Rem&Nom are as follows:

- Review the Bank of Beirut SAL Remuneration Policy Statement and give full consideration to compliance with the relevant Banking Control Commission (BCC) circulars
- Consider that the Committee is able to provide BCC with evidence of how well the firm's remuneration policies meet the principles set by the BCC, together with plans for improvement where there is a shortfall
- 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 Rem&Nom 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

Article 6 - Board Remuneration and nominations (Rem&Nom) – Standing Agenda

Chair:	Chairman
Secretary:	The Non-Executive Director
Duration:	As needed
Frequency:	Semi-Annual – Though can meet on ad-hoc basis
Key Inputs:	Minutes from prior meeting, Remuneration Policy Statement, Succession Plan.

Key Outputs: Decisions, minutes, and action points

- Chair, determination of quorum
- Approval of minutes from prior meeting
- Review of Remuneration Policy Statement
- Remuneration of Executive staff
- Staff bonus pool
- Review of Succession Plan, Board composition and performance
- Nomination issues
- Any other business