

Bank Audi

November 30, 2016

Resolutions adopted by the Extraordinary General Meeting of Shareholders of November

29, 2016:

First resolution: Increase of the Bank's capital through the issuance of 2,500,000 new Series "I" nominal Preferred Shares, subject to Lebanese Law No 308/2001:

The Extraordinary General Meeting of Shareholders resolves to increase Bank Audi's capital from L.L. 668,194,681,824 to L.L. 672,334,681,824 i.e. by L.L. 4,140,000,000 through the issuance of 2,500,000 new Series "I" nominal Preferred Shares, subject to Lebanese Law No 308/2001, with a nominal value of L.L. 1,656 per Share to be listed on regulated stock exchanges and subscribed for in cash as per the following terms:

Issuer	Bank Audi S.A.L. (the "Issuer" or "Bank Audi").
Issue Size	U.S.\$250,000,000.
Type	Non-Cumulative Redeemable Convertible Perpetual Series I Preferred Shares, which are expected to constitute Additional Tier 1 capital.
Issue Date	On or before December 31, 2016 (<i>tentative and subject to extension to a date no later than February 28, 2017</i>).
Maturity/Tenor	Perpetual, subject to the terms of the Call Option. The Series I Preferred Shares have no fixed redemption date, and Bank Audi shall only have the right to redeem in the limited circumstances set out below. See " <i>Call Option</i> " below.
Issue Price	U.S.\$100.00 per share of which the equivalent of LL 1,656 shall represent the nominal value of each share, with the balance, which the Issuer intends to maintain in U.S. Dollars, consisting of the issue premium. Existing holders of Preferred Shares and prospective investors should note that the issue premium has been determined by Bank Audi in its discretion.
Subscription Amounts..	Subscriptions for Series I Preferred Shares shall be for a minimum amount of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
Use of Proceeds	The net proceeds of the issue of the Series I Preferred Shares will be used for general funding purposes, including strengthening the Issuer's capital structure.
Indicative Annual Distribution Rate	It is expected that distributions, if any, in an amount equivalent to 7.00% of the Issue Price will be paid annually to holders of the Series I Preferred Shares (subject as set out below). There is no step-up in the distribution rate. However, the Issuer may, in its discretion, elect to cancel any distribution in respect of the Series I Preferred Shares. See " <i>Optional Distribution Cancellation</i> ".
Annual Distributions	Subject as provided herein, distributions (" Distributions ") shall be payable to holders of Series I Preferred Shares solely out of Distributable Net Income for the Year (as defined below), in U.S. Dollars, on account of fiscal year 2016, at the rate of U.S.\$3.00 per Series I Preferred Share (representing a dividend yield of 7.00%

per annum pro rated to approximately reflect the remaining period from the Issue Date to year-end 2016 and to compensate for the fact that Distributions will not be paid in respect of the year in which the Call Option is exercised (if and when the Call Option is exercised)) and, on account of each fiscal year thereafter, in an aggregate amount to be determined on or before the issue date at the rate of U.S.\$7.00 per Series I Preferred Share (representing a dividend yield of 7.00% *per annum*), subject to adjustment in the event of any stock split or combination affecting the share capital of the Issuer (but not upon any other event, including the issuance of any new shares below market value, stock dividends or a recapitalisation of the Issuer's share capital).

Conditions to Payments of Distributions

All payments of Distributions are conditioned upon:

- (w) no Trigger Event (as defined below) has occurred;
- (x) the Bank being in full compliance with then applicable regulations and financial ratios of *Banque du Liban* and the Banking Control Commission in respect of the payment of dividends or other distributions and to verification of such compliance by the Banking Control Commission;
- (y) such Distributions having been recommended by the Board of Directors and approved by the shareholders of the Bank pursuant to a resolution adopted at the Ordinary General Meeting (or any other shareholders' meeting) at which the most recent annual audited financial statements of the Bank are approved and *Banque du Liban* and/or the Banking Control Commission not having required the Issuer to cancel such Distributions; and
- (z) the availability of Distributable Net Income for the Year in an amount sufficient to cover such Distributions and distributions in respect of any outstanding Series F Preferred Shares, Series G Preferred Shares, Series H Preferred Shares and Series I Preferred Shares and any future series of preferred shares of the Bank at the time outstanding and ranking *pari passu* with the Series I Preferred Shares in respect of distributions.

In any case, the actual amount distributable in respect of the Series I Preferred Shares for any year shall be determined by, and otherwise be subject to the approval of, the Issuer's Shareholders at the General Meeting of Shareholders (or any other shareholders' meeting) at which the relevant annual audited financial statements of the Issuer are approved.

In the event that the Issuer exercises the Call Option as provided below, no Distributions shall be payable in respect of any Series I Preferred Shares for the year in which such Series I Preferred Shares are redeemed and canceled.

“**Distributable Net Income for the Year**” means, for any year, the Issuer’s net income for such year, calculated after deduction of legal and regulatory reserves, set out in the Issuer’s audited unconsolidated financial statements as at the end of such year, as approved by the shareholders of the Issuer at the annual Ordinary General Meeting of Shareholders (or any other shareholders’ meeting); provided that if the Issuer reasonably determines that the Distributable Net Income for the Year as at any distribution determination date is lower than the Distributable Net Income for the Year as at the date of the Issuer’s latest audited balance sheet and is insufficient to pay the Distributions and any payments on instruments that are rank *pari passu* with the Series I Preferred Shares in respect of distributions on the relevant payment date, then on certification by two Directors and the auditors of the Issuer of such revised amount, the Distributable Items shall for the purposes of Distributions mean the Distributable Net Income for the Year as set forth in such certificate

Distributions Not

Cumulative.....

The right to Distributions in respect of the Series I Preferred Shares shall not be cumulative. If Distributions for any year are not declared and paid for any reason, holders of Series I Preferred Shares will not be entitled to receive such Distributions whether or not funds are or subsequently become available.

Optional Distribution

Cancellation

The Issuer may, at its sole discretion, taking into account its specific financial and solvency condition, elect to cancel any Distribution, in whole or in part, on a non-cumulative basis at any time, including upon a Mandatory Conversion. Any Distribution that has been duly cancelled is no longer due and payable at any time by the Issuer, whether in a liquidation or otherwise. Cancellation of a Distribution payment does not constitute an event of default and does not entitle holders to petition for the insolvency or winding up of the Issuer.

Dates of Payment.....

Distributions, when declared and not cancelled, shall be paid on the date determined at the General Meeting of Shareholders at which the relevant annual audited financial statements of the Issuer and the amount and payment of such Distributions are approved. It is expected that the first annual Distribution will be paid following the General Meeting of Shareholders at which the annual audited financial statements of the Issuer for the year ended 31 December 2016 are approved (expected to be in April/May 2017).

The actual date on which a Distribution shall be made shall be determined by a resolution of the Ordinary General Meeting of Shareholders (or such other Shareholders’ meeting).

Distributions Subject to

Tax

Payments of Distributions are subject to withholding tax in the Lebanese Republic, currently at the rate of 5%. The Issuer will not pay any additional amounts to gross up in respect of such withholding tax.

Restrictions on

Payment of

Distributions upon

Common Shares.....

So long as any Series I Preferred Shares shall be outstanding, the Issuer shall not declare or pay any Distribution or other distribution upon its Common Shares during any fiscal year until full annual Distributions in respect of the Series I Preferred Shares (and any other outstanding preferred shares of the Issuer ranking *pari passu* with the Series I Preferred Shares in respect of distributions, including, as at the date hereof, the Series F Preferred Shares, the Series G Preferred Shares

and Series H Preferred Shares) shall have been paid or declared and set apart in respect of such fiscal year.

Voting Rights Except in the limited circumstances described below and reflecting applicable Lebanese law (including Law № 308 of the Lebanese Republic dated 3 April 2001, relating (among other things) to the issuance of shares by banks and dealings therein), the holders of Series I Preferred Shares shall not have voting rights.

Holders of Series I Preferred Shares shall have the right to participate in discussions regarding, and to vote (on a *pro rata* basis with all holders of any other outstanding shares of the Issuer, irrespective of the class thereof, including, as at the date hereof, the Series F Preferred Shares, the Series G Preferred Shares, the Series H Preferred Shares and the Common Shares of the Issuer, determined on the basis of the nominal values of the respective classes of shares (provided that, in compliance with Article 117 of the Lebanese Code of Commerce, holders shall have the right to two votes per share in respect of any Common Shares owned by them for two years or longer)) in respect of the following:

- (x) amendments to the object or legal form of the Issuer;
- (y) a capital increase by way of a contribution in kind of assets; and
- (z) dissolution, liquidation or winding-up of the Issuer or a merger scheme in which the Issuer is a party.

Pursuant to Lebanese law, in the event that (i) the General Meeting of Shareholders of the Issuer approves Distributions but the Issuer fails to make such Distributions for three years or (ii) the Issuer shall be in default in the provision of any of the rights or benefits attached to the Series I Preferred Shares, holders of Series I Preferred Shares shall have the right to participate in discussions regarding, and to vote (on the same *pro rata* basis as described above), on all matters that come before the Shareholders of the Issuer, and such voting rights shall continue in effect until (i) payment of the Distributions is made on account of the prior year and the then-current year or (ii) such default is cured, as the case may be.

Law № 308 further provides for the automatic establishment of an association of holders of Series I Preferred Shares to protect the interests of such holders, which may designate a representative that may attend shareholder meetings and participate in discussions regarding, but may not vote in respect of, matters presented therein, except under the limited circumstances described above.

Liquidation Preference Subject as set out below in “*Mandatory Conversion*” and to relevant provisions of Law № 308, in the event of any voluntary or involuntary liquidation or winding-up of the Issuer, the holders of the Series I Preferred Shares shall be entitled (on a *pro rata* basis with all holders of any other outstanding preferred shares of the Issuer ranking *pari passu* with the Series I Preferred Shares in respect of distributions, including, as at the date hereof, the Series F Preferred Shares, the Series G Preferred Shares and the Series H Preferred Shares, determined on the basis of the respective issue price for such shares) to be paid out of the assets of the Issuer available for distribution to its Shareholders, before any payment shall be made on the Common Shares of the Issuer, an amount per Series I Preferred Share equal to the sum of (x) the Lebanese Pound equivalent of U.S.\$94.00 per share, subject to adjustment to reflect any stock split or combination affecting the share capital of the Issuer (but not upon any other event, including the issuance of any new shares below market value, stock dividends or a recapitalisation of the

Issuer's share capital), and (y) all declared but unpaid Distributions on the Series I Preferred Shares.

Subject as set out below in "*Mandatory Conversion*", following payment of the above liquidation preference, holders of the Series I Preferred Shares will, upon liquidation of the Issuer, be entitled to participate in any remaining distributable assets of the Issuer on a *pro rata* basis with the Common Shares and any other preferred shares with a similar participation provision, based on the respective par values of the Series I Preferred Shares, the Common Shares and any such other preferred shares. Accordingly, if the Issuer is liquidated (and subject as set below in "*Mandatory Conversion*"), the surplus, if any, remaining after payment of the Bank's debts, liquidation expenses, liquidation preferences in respect of any series of unconverted preferred shares of the Bank at the time outstanding and any other obligations of the Bank will be distributed *pro rata* among all holders of Common Shares, Series I Preferred Shares and any other preferred shares with a similar participation provision.

Mandatory Conversion

If a Trigger Event occurs, the Series I Preferred Shares shall, upon the provision of a Conversion Notice, be mandatorily and irrevocably converted into Common Shares of the Issuer (without the need for the consent of the holders of the Series I Preferred Shares) at a ratio of 15 Common Shares per Series I Preferred Share, subject to adjustment to reflect any stock split or combination affecting the share capital of the Issuer (but not upon any other event, including the issuance of any new shares below market value, stock dividends or a recapitalisation of the Issuer's share capital).

Once the Series I Preferred Shares have been converted, they will not be restored in any circumstances, including where the relevant Trigger Event ceases to continue.

A conversion of the Series I Preferred Shares following a Trigger Event does not constitute an event of default and does not entitle holders to petition for the insolvency or winding up of the Issuer.

The Series I Preferred Shares are not otherwise convertible into Common Shares of the Issuer.

A "**Conversion Notice**" is a notice that shall be given by the Issuer not more than two Beirut business days after the occurrence of a Trigger Event to the holders of the Series I Preferred Shares stating, with reasonable detail, the nature of the relevant Trigger Event.

Trigger Event..... A “**Trigger Event**” shall occur if (i) a Capital Adequacy Event occurs or (ii) a Non-Viability Event occurs and is continuing.

A “**Capital Adequacy Event**” shall occur if, as of any Calculation Date, the ratio of the Issuer’s Common Equity Tier 1 capital to its risk weighted assets as of such date falls below 66.25% of the minimum required from time to time under Central Bank of Lebanon regulations, including Decision № 6939 dated 25 March 1998, as amended from time-to-time.

A “**Non-Viability Event**” shall occur if *Banque du Liban* notifies the Issuer in writing that it is of the opinion that a write-off or conversion is necessary, without which the Issuer would become non-viable.

A “**Calculation Date**” is the last Beirut business day of any calendar quarter.

Availability of Common Shares Following Mandatory Conversion

Following a Mandatory Conversion, the Issuer will be fully discharged from all of its obligations vis-à-vis the holders of the Series I Preferred Shares in respect of the Series I Preferred Shares upon making the Common Shares of the Issuer available at Midclear for delivery to such holders for a period of 90 days.

It shall be the responsibility of the holders of the Series I Preferred Shares to pay all applicable stamp, transfer, registration and similar taxes and duties, together with any value added or other tax thereon arising in connection with the transfer of the Common Shares and comply with all applicable laws and regulations relating thereto, including (x) if applicable, obtaining the consent of *Banque du Liban* to the transfer of the Common Shares and (y) complete all formalities, documents and instruments as may be required to effect the delivery and transfer of the Common Shares, including such documents and instruments as may be required by Midclear and *Banque du Liban*.

If a holder of Series I Preferred Shares requires the approval of *Banque du Liban* in order to become the owner of Common Shares but fails to obtain such approval for any reason, then (i) it shall be such holder’s responsibility to arrange for a transfer of its entitlement to the relevant Common Shares to a person who does not require the approval of *Banque du Liban* and (ii) any failure to obtain approval of *Banque du Liban* or to transfer the Common Shares in accordance with (i) shall not otherwise affect the rights of other holders of Series I Preferred Shares to receive Common Shares.

Ranking

The Series I Preferred Shares shall rank *pari passu* among themselves, with the Series F Preferred Shares, the Series G Preferred Shares and Series H Preferred Shares and with any future series of preferred shares that may be issued by the Issuer in respect of:

- (x) the right to receive distributions of assets payable in respect of the net profits of the Issuer (other than as to the amounts thereof);
- (y) the right to receive payments out of the assets of the Issuer upon any voluntary or involuntary liquidation or winding up of the Issuer (other than as to the amounts thereof); and
- (z) the right to subscribe to newly-issued preferred shares of the Issuer, if any (other than as to the number of newly-issued shares).

The Series I Preferred Shares shall rank senior to the Common Shares in respect of the right to receive distributions of assets payable in respect of the net profits of the Issuer and the right to receive payments out of the assets of the Issuer upon any voluntary or involuntary liquidation or winding up of the Issuer.

The Series I Preferred Shares, however, will rank junior to any instruments that qualify as Tier 2 capital, debt, liabilities (including, *inter Alia*, all deposits and other liabilities of the Issuer to general creditors and liabilities of all offices and branches of the Issuer, wherever located) and other similar obligations of the Issuer such that, in the event of the liquidation, dissolution or winding up of the Issuer, the holders of debt instruments and other similar obligations of the Issuer would be entitled to be repaid prior to the payment of any amounts to holders of Series I Preferred Shares.

The Series I Preferred Shares are not secured or covered by any guarantee from the Issuer, any of the Issuer's subsidiaries or members of its corporate group or any related party and do not benefit from any other arrangement that legally or economically enhances the preference or seniority of their claims.

Priority Subscription Rights.....

Each holder of Series F Preferred Shares, Series G Preferred Shares and Series H Preferred Shares will have the right to subscribe, on a priority basis, to the issue of Series I Preferred Shares, *pro rata* to their nominal holdings of Series F Preferred Shares, Series G Preferred Shares and Series H Preferred Shares, as applicable, at a rate of one Series I Preferred Share per Series F Preferred Share, Series G Preferred Share or Series H Preferred Share (as the case may be), held by such holder. Any Series I Preferred Shares not subscribed by holders of Series F Preferred Shares, Series G Preferred Shares or Series H Preferred Shares will be allocated in the sole discretion of the Issuer.

In order to exercise priority subscription rights, a holder of Series F Preferred Shares, Series G Preferred Shares or Series H Preferred Shares must submit a duly completed Purchase Application to the Issuer, together with an indication that such holder is exercising its priority subscription rights and confirmation of the number of Series F Preferred Shares, Series G Preferred Shares and Series H Preferred Shares held by it, no later than the expiration of the subscription period that will be set by the Issuer.

Holders of Series F Preferred Shares, Series G Preferred Shares and Series H Preferred Shares who fail to notify the Issuer on a timely basis of their intention to exercise their priority subscription rights to purchase Series I Preferred Shares will be deemed to have waived such rights.

Holders of Series I Preferred Shares will have priority subscription rights to subscribe, *pro rata* with holders of other preferred shares of the Issuer, including, as at the date hereof, the Series F Preferred Shares, the Series G Preferred Shares and Series H Preferred Shares, to newly-issued preferred shares of the Issuer but not Common Shares. Newly-issued preferred shares purchased pursuant to an exercise of such priority subscription rights will be allocated on the basis of the nominal values of all shares carrying such rights, regardless of the respective issue prices for such shares.

Call Option.....

Subject to (i) compliance with any and all then applicable regulations and financial ratios of *Banque du Liban* and the Banking Control Commission, including the availability of sufficient free reserves for the purpose, (ii) verification of such compliance by the Banking Control Commission and (iii) the approval of *Banque*

du Liban in accordance with the provisions of paragraph 5(A) of Article 5 of Basic Decision № 6939 dated 25 March 1998, as amended (attached to Basic Circular № 44) the Issuer may, at its option, redeem and cancel the Series I Preferred Shares then outstanding, in whole or in part (but not less than 20% of the aggregate issue size):

- (x) at any time after the Issue Date, upon the occurrence of a Regulatory Event (*i.e.*, a change in any applicable law or domestic or international regulation or standard or in the official interpretation or application thereof, which would be reasonably likely to result in the aggregate Issue Price in respect of all Series I Preferred Shares not being included as Additional Tier 1 capital of the Issuer or otherwise in the event that the Issuer would not be permitted to maintain the issue premium in respect of the Series I Preferred Shares in U.S. Dollars or any other foreign currency as may be acceptable to the Issuer); or
- (y) following notification to *Banque du Liban* and the Banking Control Commission, within 60 days following the General Meeting of Shareholders of the Issuer at which the annual audited financial statements of the Issuer for the year ended 31 December 2021 are approved (which is expected to be in April 2022) and annually within 60 days following each such subsequent General Meeting of Shareholders of the Issuer thereafter (or any other shareholders' meeting) at which the annual audited financial statements of the Issuer for the immediately preceding fiscal year are approved, in its sole discretion,

in each case, at a redemption price equal to U.S.\$100.00 per Series I Preferred Share (subject to, in the event of any stock split or combination affecting the share capital of the Issuer (but not upon any other event, including the issuance of any new shares below market value, stock dividends or a recapitalisation of the Issuer's share capital)), plus any declared and uncanceled but unpaid Distributions; *provided* that no Distributions shall be payable in respect of any Series I Preferred Shares for the year in which such Series I Preferred Shares are redeemed and canceled. The Series I Preferred Shares may not be redeemed and cancelled under this sub-clause (y) prior to the fifth anniversary of the Issue Date.

In the case of redemption and cancellation of a part only of the Series I Preferred Shares at the time outstanding, such redemption and cancellation will be on a *pro rata* basis.

Effect of Redemption.... Upon any redemption of Series I Preferred Shares, such Series I Preferred Shares shall be canceled and the nominal value of each of the remaining shares then constituting the outstanding share capital of the Issuer, irrespective of the class thereof, shall be adjusted to reflect such cancellation, with the Issuer's total capital remaining unchanged.

No Put Option Holders of Series I Preferred Shares do not have the benefit of any put option or other right to require the Issuer to repurchase Series I Preferred Shares and, although the Issuer has the right to redeem and cancel the Series I Preferred Shares as described herein, it has no obligation to do so and its ability to do so may be restricted by applicable regulations and financial ratios of *Banque du Liban* and the Banking Control Commission.

Form Registered shares.

Interests in the Series I Preferred Shares will be shown only on, and transfers thereof may be effected (subject as provided herein) only through, the book-entry

system maintained by Midclear and its participants, including the Issuer. Series I Preferred Shares in definitive form will not be issued.

Listing..... The Issuer intends to list the Series I Preferred Shares on the Beirut Stock Exchange.

Governing Law The issuance of the Series I Preferred Shares shall be governed by Lebanese Law.

Settlement & Clearing.. The Series I Preferred Shares will initially be delivered, upon issuance, to Eligible Investors (as defined below) by deposit to the Midclear account of the Issuer on or after the Issue Date. At any time after the Issue Date, a holder of Series I Preferred Shares may request that the Issuer arrange for the transfer of the custody of all or a portion of the Series I Preferred Shares owned by it to another subcustodian in Midclear.

Restrictions on Transfer..... There are no restrictions imposed by *Banque du Liban* on the transfer of Series I Preferred Shares, and, accordingly, the Series I Preferred Shares shall be freely transferable, subject to applicable securities laws.

Eligible Investors Series I Preferred Shares will be offered and sold, directly or indirectly, only to Eligible Investors (*i.e.*, persons who are Professional Clients (as defined under CMA Regulations) and, if located in the European Economic Area, Qualified Investors, and who are not a U.S. person, the President of the Issuer, the Chairman of the Board of Directors of the Issuer, any other member of the Board of Directors of the Issuer or any person who is a General Manager of the Issuer; any spouse or minor child of such person; any subsidiary or affiliate of the Issuer; or any person acting on behalf of any such person). Neither the Issuer nor any of its subsidiaries or affiliates may directly or indirectly finance the purchase of Series I Preferred Shares.

Legal Advisors Dechert LLP, as to U.S. law.
Cortbaoui & Kanaan, as to Lebanese law.

Placement Agent..... Audi Investment Bank S.A.L.

Statutory Auditors of the Bank Ernst & Young p.c.c. and BDO, Semaan, Gholam & Co.

Fees connected with the offering of the Series I Preferred Shares..... Investors will not be charged any placement fees by the Bank or any of its affiliates in connection with the offering and placement of the Series I Preferred Shares.

Other than bank charges and other related fees, if any, incurred in connection with the payment of amounts in respect of the Aggregate Issue Price (such as fees for the transfer or currency conversion of monies), investors will not be required to pay any fees in connection with the Series I Preferred Shares, including issuance, redemption or administration fees.

Risk Factors An investment in the Series I Preferred Shares is subject to certain risks.

In particular, investors should note, as follows:

- An investment in the Series I Preferred Shares constitutes an investment in the equity of the Bank.
- The Bank may, in its sole discretion, taking into account its specific financial and solvency condition, elect not to make any distributions to any of its shareholders, including holders of the Series I Preferred Shares, and to cancel any Distribution (to the extent such cancellation is permitted under applicable Lebanese laws), in whole or in part, at any time, including upon a Mandatory Conversion.
- The Series I Preferred Shares are loss absorbency instruments in accordance with Basel requirements. As such, if a Trigger Event occurs, the Series I Preferred Shares will be mandatorily converted into Common Shares, in which case investors may lose a portion or all of their investment. In the event of a voluntary or involuntary liquidation of the Bank, investors may also lose a portion or all of their investment.
- The Series I Preferred Shares will be non-voting, except for the limited rights of holders of Series I Preferred Shares to vote on any proposed amendments to the object or legal form of the Bank, any capital increase by way of a contribution in kind of assets or any dissolution, liquidation or winding-up of the Bank or any merger or acquisition scheme in which the Bank is a party or in the event Distributions are not made for three consecutive years when, in each such year, the Bank had Distributable Net Income for the Year available to make such Distributions or the Bank shall default in the provision of any of the rights or benefits attaching to the Series I Preferred Shares.
- The Series I Preferred Shares shall be of perpetual existence and have no fixed final redemption date and holders of Series I Preferred Shares do not have the benefit of any put option or other right to require the redemption thereof.
- In the event that the Bank exercises its option to redeem and cancel the Series I Preferred Shares at any time on the terms and subject to the conditions described herein, no Distributions shall be payable in respect of the year in which such Series I Preferred Shares are redeemed and cancelled.

The above is only a partial list of risks related to the Series I Preferred Shares. See “*Certain Investment Considerations*” in the Offering Circular for a more fulsome description of the risks related to an investment in the Series I Preferred Shares.

Second resolution: Listing of the 2,500,000 newly-issued series “I” Preferred Shares on the Beirut Stock Exchange:

The Extraordinary General Meeting of Shareholders resolves the listing of the 2,500,000 newly-issued series “I” Preferred Shares on the Beirut Stock Exchange.

Third resolution: Amendment of Articles 6 and 8 of the Bank’s By-Laws to reflect the issuance of the series “I” Preferred Shares:

The Extraordinary General Meeting of Shareholders, pursuant to its preceding resolutions, resolves to modify articles 6 and 8 of the Bank's by-laws. Modified text of said articles is as follows:

Modified text:

Article 6 - Capital

The Capital of the Company shall be set at /672,334,681,824/ LL (six hundred seventy two billion three hundred thirty four million six hundred eighty one thousand and eight hundred twenty four Lebanese pounds) divided into /405,999,204/ (four hundred five million nine hundred ninety nine thousand and two hundred four) nominal Shares, with a value of /1,656/ LL (one thousand six hundred fifty six Lebanese Pounds) each, fully paid up.

The company may issue bonds pursuant to a resolution of the General Meeting of Shareholders.

Article 8 – Type of Shares

- 1- Shares constituting the Company's capital are divided into two categories, the first category being the Common Shares consisting of 399,749,204 Shares, and the second category being the Preferred Shares consisting of 6,250,000 Preferred Shares. The second category consists of four series: /1,500,000/ Series "F" Preferred Shares, /1,500,000/ Series "G" Preferred Shares, /750,000/ Series "H" Preferred Shares and /2,500,000/ Series "I" Preferred Shares.
- 2- All the company's Shares are nominal Shares and shall be kept with the central depository MIDCLEAR SAL; Ownership, trading, pledges and other rights affecting the Shares shall be established by the records of MIDCLEAR SAL.
- 3- All the company's Shares may be subscribed to publicly and are tradable on the regulated financial markets. All Shares are traded on such markets.

Fourth resolution: Submission of the foregoing resolutions for approval by the Central Bank of Lebanon:

The Extraordinary General Meeting declares that entry into effect of the foregoing resolutions is subject to the approval of the Central Bank of Lebanon.

Fifth resolution: Granting to the Chairman of the Board of Directors, Mr. Raymond Audi and Group CEO, Mr. Samir Hanna, acting severally, of the necessary powers to perform all acts and procedures in pursuit of the foregoing resolutions:

The Extraordinary General Meeting of Shareholders of Bank Audi sal resolves to grant each of (i) the Chairman of the Board of Directors, Mr. Raymond Audi and (ii) Board member and Group CEO, Mr. Samir Hanna, severally, the necessary powers to perform all necessary actions in connection with the issuance of the Preferred Shares and the determination of the subscription period, the payment of the nominal value and of the premium, the opening of accounts for this purpose, the application for listing such New Shares on regulated stock markets, and generally to carry out all necessary actions to implement the above resolutions, with the authority to further delegate all or part of the aforementioned powers hereby granted to them.