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COLLECTIVE LABOR AGREEMENT 2016-2017

CHAPTER I

CADRE OF EMPLOYEES AND SCALE OF SALARIES

Article 1:

The Cadre of Bank Employees is divided as follows:

- 1- The Cadre of General Management (General Manager, Deputy General Manager, Assistant General Manager)
- 2- The Cadre of Employees

Article 2:

1- The Cadre of Employees is composed of the following:

<u>Technicians</u>	<u>Cadre</u>
Category/ Grade A	Category/ Grade D
Category/ Grade B	Category/ Grade E
Category/ Grade C	Category/ Grade F

2- The bank decides the number of levels it wishes to have within every category/grade, provided not to exceed four levels at the utmost. Moreover, the Bank is free to choose the classification that suits the requirements of work. However, the Bank has to define the classification it is adopting, inform its employees about it, and definitely implement it before December 31st, 2017.

3- Technicians are those who fill functions, which require some acquired competencies through education, expertise, or training, and who are capable of solving problems and having flexibility while dealing with the clients and supervising the working team.

- 4 - Cadres are those who fill functions which require great responsibilities, a wide knowledge and leadership competencies, and those capable of taking decisions.

Article 3:

The provisions of this agreement do not cover the employees under special contracts with their Banks, whereby no bank is allowed to hire on contract an employee in a grade already stipulated in the afore-mentioned Article (2), since all such grades are governed by the Collective Agreement.

Article 4:

The Bank distributes its employees according to the classification adopted in the present collective agreement, while taking into account the prerequisites of these functions and the competencies of its employees.

It grants grades to the employees, according to the proposed grade system and the functions they are accomplishing, as well as the competencies required for filling them.

Moving from one grade to another definitely requires the capacity to adapt oneself to the requirements of the function and to acquire the competencies, which are suitable to those required for the function.

Old employees, regardless their grades, maintain the same services, benefits, allowances, salaries, annual leave, and medical services as those stipulated before the implementation of the new system of grades.

Article 5: Employment

Once this Agreement is implemented, every applicant for employment in a bank operating in Lebanon should fulfill the following conditions:

- Shall be a Lebanese National for a minimum of ten years.
- Should have completed eighteen years of age.
- Shall produce a copy of Judicial Record.
- Shall produce a medical certificate.

Shall submit a personal declaration of the absence of any criminal suits against him/her.

However, in case of employing foreigners, the Bank shall observe the laws in force, regarding employment of foreigners in Lebanon.

Article 6: Evaluation of employees' performance

The Bank periodically evaluates the performance of its employees, whether at least once per year, according to the relevant norms and methods adopted in the banking industry and according to an evaluation system, which is specific to the Bank and announced to the employees.

Article 7: Training of employees

- 1- Training is one the essential pillars of the system of linking grades to functions. Consequently, the Bank and the employee should agree on granting a fundamental importance to training with all the required seriousness.
- 2- The Bank should establish a training policy, which is suitable for its needs and should keep its employees informed about it.
- 3- In case the banks wish to train their employees, the time allocated to training during the working hours will be counted in the working hours of the employees.
- 4- Banks should encourage training activities organized by the Association of Banks in Lebanon and the Higher Institute for Banking Studies (ISEB), without, however, committing themselves to take part in them.
- 5- Banks should respect regarding the diplomas of the Higher Institute for Banking Studies (ISEB) the common use since the creation of the Centre, according to which the bank pays half of the annual requested fees from the employee upon registration and the employee commits him/herself to pay the second half, provided that he/she recovers it from the bank in case of success or it will be deducted from his/her salary in case of failure in six monthly installments.

Article 8: Salaries

Every employee, of whichever category, shall receive a monthly salary payable 16 times a year, in accordance with the following arrangements:

- a) One month's salary payable at the beginning of each month, after the termination of the training period.
- b) One month's salary payable once every three months: these payments shall be effected before the end of March, June, September, and December of each year.
- c) For the employees who have not completed a full year of service, the ratio of the salary, subject of paragraph "b" above shall be determined in proportion to the number of months during which the employee has worked, until the date of payment. Any fraction of a month shall be considered as a complete month.
- d) The sixth month is considered as a substitute to the contract bonus which used to be given to the employee upon the renewal of the collective agreement, as well as to the bonus of the following year.

Article 9:

1- The minimum wages for the cadre of employees shall be determined as follows:

	<u>MINIMUM WAGE: (LBP)</u>
Technician category/grade A	725,000.
Technician category/grade B	965,000.
Technician category/grade C	1,400,000.
Cadre category/grade D	1,950,000.
Cadre category/grade E	2,380,000.
Cadre category/grade F	2,800,000.

2- It is meant by minimum wage the wage that the employee receives directly "upon starting work".

3- The minimum wage of the university graduate of Technician category/grade A is set at LBP 925,000 (nine hundred and twenty five thousand Lebanese Pounds).

- 4- The mentioned minimum wages are to be implemented at the end of the training period, as stipulated in the internal rules of the bank. As for the banks with no such rules, they cannot implement a probation period exceeding three months with regards to every employee.
- 5- For the application of this article, the “salary” shall mean basic salary plus the cost of living allowances. No other allowances or remunerations shall be included in the calculation of the “salary”.
- 6- Every employee graduating from the “Higher Institute of Banking Studies” shall be granted an exceptional increase to his/her salary of LBP 130,000. – per month for the holders of Degree in Banking Studies and of LBP260,000.– per month for the holders of Special Banking Studies Diploma (DESB).

CHAPTER II

VARIOUS ALLOWANCES & REMUNERATIONS

Article 10: Family Allowances

- 1- Married employees of whatever category will be granted monthly family allowances as follows:
 - For the unemployed wife: The allowance designated by the Social Security plus an additional 75%.
 - For children: The allowance designated by the Social Security plus an additional 50% for each child up to five children and up to the age of 25 years for males and females equally, provided they are without a remunerated job. The age condition is not applied to handicapped or disabled children, provided it is supported by a medical report.

- 2- The family allowances stipulated in paragraph (1) above are paid according to the monthly salaries, i.e. 16 times per year.
- 3- Acquired rights of employees in banks, which grant family allowances in excess of the above mentioned rates, are hereby preserved.
- 4- In the event when both spouses are employed by two different banks, and if the bank employing one of them grants family or maternity allowances in excess of the rates mentioned in Articles (10), (11) and (16) of the Collective Labor Agreement, the husband or wife shall be paid his/her allowances by his/her employer and the wife or husband shall be paid the compensating difference by her/his employer.
- 5- If a female employee has legal custody over her children as stipulated by the Social Security Laws and benefits for them from the family allowances of the Social Security, she shall then benefit from the afore-mentioned allowances of this article.

Article 11: Education Allowances

- 1- Employees of whatever category who have children attending schools on a regular basis, be they private or public, or universities, will be granted yearly scholarships for each and every one of their children (males and/or females), and up to five children only, according to the following terms:
 - a) Amount of Allowance:
 - LBP 1,500,000. – yearly, for public or tuition-free schools,
 - LBP 3,000,000. – yearly, for students attending the Lebanese University.
 - LBP 3,500,000. – yearly, for students attending private schools or special schools of the handicapped.
 - LBP 5,500,000. – yearly, for students attending private universities.

- b) The allowance will be granted to every child who completes three years of age, on December 31st, directly before the beginning of the academic year, and will not exceed his/her Twenty Five (25) years of age on December 31st. The prerequisite for granting such scholarships is that the child does not hold a remunerated job.
- c) The child must be registered in a regular school in order to benefit of such a scholarship. For this purpose, night schools are not considered as regular schools.
- d) A female employee will not be granted such allowances, unless she has legal custody over the children and is cashing family allowances for them, or if her husband does not have the right, by virtue of the law, to obtain schooling allowances for his children. In addition, the female employee cashes the allowances difference in case her husband cashes a scholarship less than the amount stipulated in the Collective Labor Agreement.
- e) It is conditional that the employee is confirmed before benefiting from such allowance.
- f) The scholarship for private schools and universities will be granted in full, upon confirming the registration and submitting the invoices and receipts, in two payments.
 - 50% of the scholarship between September and October of the academic year.
 - the remaining 50% of the scholarship between November and February of the academic year.

As for the public schools and Lebanese University scholarships, they are granted in full from September 1st till the end of October of the academic year, upon submission of the receipt.

2- The Education Allowance is applicable to children whether attending regular schools in Lebanon or abroad. The employee whose children are studying in foreign universities benefits from the educational allowances set for Lebanese universities, provided that he/she submits registration evidence, as well as university fees bills and receipts.

3- Acquired rights shall be preserved for employees in banks which grant better allowances than the ones stipulated in this article.

Article 12: Housing Allowances

The Management decides the housing allowance for every employee of any category transferred outside the area of his/her residence when charging him/her with the duties of the first or the second person responsible for the Branch to which the said employee is being transferred. Beirut and its suburbs are considered as one area, and the location of the Head Office and its suburbs are considered as one area, if the Head Office is located outside Beirut.

Article 13: Transportation Allowances

1- Banks employees of whichever category shall benefit on monthly basis of a transportation allowances in conformity with the Law n° 217 as a minimum, and banks shall adopt to their employees regardless their category, a complementary system of transportation allowances as follows. Employees are to benefit from the better system to their advantage.

- Cost of 60 liters of fuel for the employee who resides in a circle of less than two-kilometer diameter from the work location, 80 to 140 liters for the employees residing within two to ten kilometers inclusive from work location, 160 to 180 liters for employees residing within ten to twenty kilometers from work location, and 200 liters for employees residing beyond the twenty kilometers distance from the work location. The transportation allowance cannot be less than LBP 8000 per day, irrespective of the travelled distance.
- For the calculation of the fuel cost, the average current price in the market shall be applied and after mutual monthly agreement between the Association and the Federation.
- This allowance is considered as a daily allowance and shall be paid on the basis of the actual working days.

- 2- In the understanding of the principle residence, the location of seasonal summer residence is not considered.
- 3- This allowance does not replace the transportation allowances granted by banks for their employees, such as investigators/clearing clerks, and other employees carrying out duties related to Bank's work.
- 4- The Cadre of the Management benefiting from transport allowances, such as monthly transport allowance, car allowance, or a car under their disposal, will not benefit from this allowance, provided such allowances are not less than the transportation allowances specified above.

Article 14: Cashiers Allowance

- 1 - Cashiers and counter-clerks in charge of cashing and payment operations deserve a special annual indemnity, known as « cashier's desk indemnity », set as follows:
 - A. Cashier 1,000,000. LBP
 - B. Counter clerk 450,000. LBP
- 2- This Allowance shall be paid as follows:
 - Two Thirds (2/3) at the end of the year.
 - One third (1/3) will be entered in a blocked account in the name of the concerned employee, to meet any shortage occurring in his/her cash.
 - The balance of the blocked account will be paid to the owner plus accrued interest when cashier activities are ceased. The average interest rate on the blocked accounts of the Bank will be taken into account in the calculation of the interest.
 - This allowance is not eligible except in the event of actual working as a cashier. Annual or sick leaves are not considered a break from work.

- Temporary cashier who replaces an absent cashier will benefit from cashier allowance proportionate to the period during which he/she replaced the originally nominated cashier.
- No such allowances will be granted to cashiers or counter-clerks if the employer bank assumes responsibility of cash shortages.

Article 15: Marriage Bonus

Every employee of whichever category who contracts marriage, is entitled to a Marriage Bonus, equivalent to one month's salary, and this bonus cannot be less than LBP 1,000,000. – (one million Lebanese Pounds).

To benefit from this bonus, the employee should not have benefited from a previous bonus on the occasion of a previous marriage. This grant is payable to both spouses, if both are employed by the same bank.

Article 16: Maternity Bonus

- A Maternity Bonus shall be paid to the employee of whichever category for the birth of each of his/her children, fixed at LBP 675,000. – (six hundred and seventy five thousand Lebanese Pounds). This Bonus is independent of the Social Security Health Fund Regulations.
- The Bonus is doubled upon birth of twins.

Article 17: Employees' Uniforms

Banks requiring the majority or some of their employees to wear a special uniform shall provide such uniforms at the banks' own expense during summer and winter seasons or pay them the price of the uniform.

CHAPTER III

INCREASES

Article 18:

- 1- The total annual increments granted to employees, including the cadre of Management and messengers, is 3% (Three Percent), based on total salaries paid from January 1st and until December 31st of the preceding year. Such increments will be distributed on the basis of paid salaries during the year.
- 2- It is meant by salaries stipulated in the paragraph above, the basic salaries plus the Cost of Living Allowances only.
- 3- Such increments will be granted annually to all employees according to Management's appreciation and after reviewing their personal files.
- 4- An employee may be deprived from the annual increase provided penalty is recorded in his/her personal file, in accordance with Art.29 (line Five) of this Agreement.
- 5- Increments shall not include, neither the increases such as granted to the employee before the maturity of the annual increments, nor the H.C.L. increases which are issued by a decree.
- 6- These increases shall be granted within a maximum period ending the month of March of every year, with a retroactive effect back to the beginning of the fiscal year, i.e. the first of January in each year.
- 7- If the regulations of some Banks provide automatic increase to their employees, which exceed in total the percentage of annual increases provided for in the first paragraph of this Article, such automatic increases shall remain as an acquired right to the employees of those Banks. If, however, such automatic increases are less than the percentage provided for in the first paragraph of this Article, they shall be considered as part of this percentage.

CHAPTER IV

LEAVES

Article 19: Annual Administrative Leaves

- 1- Every confirmed employee is entitled to an annual paid leave according to the following schedule:
 - 15 working days for employees with 1 to 5 years of service.
 - 18 working days for employees with 5 to 12 years of service.
 - 21 working days for employees with 12 to 20 years of service.
 - 25 working days for employees with 20 years of service or more.
- 2- The leave of the technician category/grade C employee and above should not be less than 21 working days, irrespective of years of service.
- 3- The leave falls due year by year, and in principal, the annual leave is considered as an indivisible unit. The leave may be divided once only, and the leaves of two consecutive years may also be accumulated with the Management Approval.
- 4- Employees of whichever category, at their request, may be granted a leave without pay of force majeure reasons, provided this leave does not exceed three months; it is conditional that the approval of the Management is obtained.

Article 20: Marriage Leave

On the occasion of his/her marriage, the employee of whichever category shall be given a special leave of 15 continuous days, including Sundays and official holidays.

Article 21: Maternity Leave

On the occasion of every delivery, the female employee shall be granted a Maternity Leave for ten weeks, including Sundays and official holidays, according to the conditions stipulated in the new Article 28 of the Labor Law, as amended in Law N^o 267, dated 15/4/2014.

Moreover, every employee, of any category whatsoever, has the right to be absent from work on the day of delivery.

Article 22: Death Leave

An employee of whichever category will be granted a special leave as follows:

- 4 continuous days for the death of a member of his/her family (father, mother, brother, sister, husband, wife, children).
- 2 days for the death of the employee's relatives (grandfather, grandmother, grand children, uncle, aunt (Paternal, Maternal) or any member of either families, nephew or niece).
- 2 days for the death of a member of the family of the employee's spouse, limited to father, mother, brother, sister, brother-in-law (Sister's husband).

Article 23: Sick Leaves

Every employee of whichever category, who presents a medical report, from a physician acceptable to the Bank, evidencing that he/she is in a continuous state of sickness, shall be granted a sick leave as follows:

1. Employee with 3 months to 3 years of service:
 - 1 month full pay.
 - 1 month half pay.
 - 4 months without pay.
2. Employee with 3 to 5 years of service:
 - 2 months full pay.
 - 2 months half pay.
 - 8 months without pay.
3. Employee with 5 to 10 years of service:
 - 3 months full pay.
 - 3 months half pay.
 - 12 months without pay.

4. Employee with 10 to 15 years of services:
4 months full pay.
4 months half pay.
16 months without pay.
5. Employee with 15 years of service and more:
5 months full pay.
5 months half pay.
20 months without pay.

- In case sick leave period with medical reports proof has exceeded 30 working days during the same year, the excess number of total sick leave days shall be deducted entirely from the annual leave of that year, and thus cannot affect the annual leave of the next year.

Sick leaves which are in force at present in some banks and which exceed the arrangements stipulated above, shall remain as an acquired right to the employee, and may not be revoked.

CHAPTER V

MEDICAL CARE

Article 24:

- 1- All bank employees of whichever category, shall benefit from the medical facilities offered by the Social Security Health Fund, while retaining the acquired rights of employees working in banks which provide better medical grants.
- 2- For hospitalization only, employees shall be classified into two categories:

- a. Employees of technician category/grade C and above, and their spouses are entitled to First Class Hospitalization. The bank bears the difference between this class and the one provided by Social Security Health Fund.
 - b. The remaining employees of other grades are entitled with their spouses to a Second Class Hospitalization; the bank shall bear the difference in full between this class and the class provided by the Social Security health Fund.
 - c. The working spouse of the employee does not benefit from the medical facilities offered by the Agreement to the spouse of the employee, unless she does not benefit in the company where she works from the facilities provided by the contribution of the Social Security Health Fund. If the spouse benefits from facilities less than those provided by the Agreement, the bank bears the difference of class between what the employer grants her and what the bank grants her, by virtue of the Agreement.
- 3- Employees of all grades are entitled to hospitalize their children in Second Class provided the employee bears 25% of the difference between this grade and that of the Social Security Health Fund, whereas the bank bears 75% of this cost.
 - 4- For the purpose of this Article. "Children" means those who are the dependents of the employee and living with him/her. They shall be under 16 years of age, or under 25 years if they suffer from a disability that prevents them from working, or if they are full-time students.
 - 5- If the female employee has custody over her children according to the principles adopted by the Social Security Health Fund and benefits from the medical facilities of the Fund, she also benefits from the allowances stipulated in the present article.
 - 6- In order to facilitate reimbursing amount of expenses incurred by an employee, refundable by the Social Security Health Fund, the bank will advance the employee the amount of expenses once the employee produces the original bills related to medical consultations and exams

of all kinds to his/her bank. The employee will also produce an affidavit authorizing the bank to be reimbursed by the Social Security Health Fund on behalf of the employee. The bank, however, reserves the right of recourse to the employee in case some bills are not accepted by the Social Security Health Fund, or in case some expenses are deducted.

7- Delivery is considered as an operation eligible under the above mentioned Hospitalization Plan.

8- If the medical consultation fees, or the laboratory tests, or X-Ray, or Scanner, or any other medical services exceed the fees designated by the Social Security Health Fund, the bank will bear 75%: -

- The consultations difference, provided it does not exceed LBP 36,000. -
- The difference of laboratory tests, provided it does not exceed LBP 42,000.-
- The difference of X-Rays, provided it does not exceed LBP 50.000.-
- The difference of specialized Tests, such as scanner, échographie, Doppler, or MRI, provided it does not exceed LBP 150.000.-

These grants shall apply to those treated abroad.

For the verification of the value of consultations and tests subject of the foregoing articles, the employee should present evidencing documents.

9- The employee of whichever category has the right for a loan from his/her bank for his/her the dental treatment or those of the family within a maximum limit amounting to LBP 2,500,000 (two millions five hundred thousand Lebanese Pounds); to be settled interest free, within one year by monthly installments. The Bank's Management reserves the right to verify the documents which evidence the treatment and its cost, as well as the capability of the borrower to settle its installments, in addition to installments of any other loan which he/she might have been granted, all within the limit of one third of his/her monthly salary.

CHAPTER VI

WORKING HOURS

Article 25:

1- Working hours for employees of all banks are:

- 8:00 a.m. to 2:00 p.m. all year round, except Saturdays.
- 8:00 a.m. to 1:00 p.m. on Saturdays.

2- The bank may, from time to time, at the discretion of the Management, and only when needed, ask its employees to work over the regular office hours above for an additional period not exceeding 7 hours weekly, without additional pay; such right may not be accumulated from one week to another, i.e. employees may not be asked to work more than a total of 42 hours/week without additional pay. If the hours worked exceed this limit, employees are then entitled to additional wage for the extra hours, according to the rates prescribed by the laws in force. In addition, this right should not be used to continuously and permanently add one working hour to the daily working schedule.

3- The two contracting parties have agreed to review the working hours fixed above, upon demand of either parties.

CHAPTER VII

GENERAL DISCIPLINE

Article 26: Employee Obligations

Banks' employees of whichever category shall abide by the following provisions:

- 1- Employees shall, under pain of the penalties prescribed in this Agreement, strictly observe the regulations of the Bank and carry out the instructions received from their supervisors, within the framework of these regulations.
- 2- Every Employee who notices a mistake or negligence on the part of another employee, shall make an immediate report thereof and submit it to his/her direct Supervisor, and send also a copy of it to the Branch Management.
Every Employee who does not abide by the obligations prescribed in this clause will be considered as responsible as the employee committing this mistake or negligence which he/she did not report.
- 3- Any employee who desires to present a personal memorandum or objection to a decision taken against him/her shall do so through one of his/her supervisors.
- 4- All employees are required to keep the professional secret, whether as regards the Bank's own operations or as regards the operations performed for third parties.
The breach of professional secrecy is in all cases a serious violation which subjects the employee to severe penalties.
- 5- All employees shall, throughout their period of service, adopt complete neutrality with regard to political and religious subjects.

They shall, in particular, refrain from making any comments on the acts and decisions of the Official Authorities.

- 6- All employees shall deal with bank clients with politeness and respect.
- 7- Every employee joining a party, an association, or any bloc whatsoever, except the Union and the Banking Athletics Society, does so in his/her personal capacity and outside his/her being an employee of the Bank.
- 8- Every employee is forbidden, save with a written permission of the Management, from exercising an employment or acquire benefits in a financial, commercial, industrial or agricultural establishment or otherwise.
“Benefits” within the meaning of the preceding paragraph, means every financial participation whatsoever: partnership (Société en nom collectif), limited partnership, (société en commandite simple), or a mere loan, as well as contributions in kind from companies. Joint-stock companies (Sociétés nonyms) form an exception, in which, according to his/her wish, an employee can be a shareholder, holder of founders’ shares (Parts de fondateur) or debenture holder.
- 9- An employee absent on grounds of “*force majeure*” shall notify the fact to his/her supervisor without delay and shall mention the reasons for his/her absence.
If he/she is absent on grounds of health, he/she shall produce a medical report given by a physician acceptable to the Bank.
- 10- Even on holidays, an employee who holds the office of head of a branch or an employee who has in his/her possession the key of a box containing sums of money or valuable documents, may not be away from the locality in which the branch is located without notifying the Management of the fact.

In all events, the above-mentioned employees shall leave word at their homes of their exact location.

11- All employees are prohibited from receiving personal visitors in their office, who have no relationship to the job.

12- Every employee is forbidden from borrowing sums of money without informing his/her Management in writing.

CHAPTER VIII

REWARDS AND PENALTIES

Article 27: Rewards

Rewards are of two kinds:

a. Non-Pecuniary:

- Congratulations recorded in the employee's file.
- Promotion in Grade.

b. Pecuniary:

- Special bonuses.
- Increase in Salary.

Article 28:

Management grants the rewards enumerated in Article 27 to employees who distinguished themselves in their production, loyalty and discipline, pursuant to a report made by their superiors.

Article 29: Penalties

1- Penalties are as follows:

- Written notice registered in Employee's file.

- Written blame registered in Employee's file.
- Written warning registered in Employee's file.
- Complete deprivation of regular increase in salary.
- Dismissal from service in accordance with Article 74 of the Lebanese Labor Code

2- The enumeration of the penalties in the order given above does not constitute, in any event, sequences which should be followed in the implementation of the penalties. A single mistake may call for the implementation of several such penalties simultaneously.

3- Centralization of penalties

- A special department shall be constituted at the general secretariat of the Association of Banks, called "Centralization of penalties", under the auspices of the General Secretary; whereby copies of important penalties which the managements of banks address to their employees of whatever category are documented.
- "Centralization of penalties" should include only penalties related to complete deprivation of annual increase and above.
- The managements of banks have to send copies of each of the mentioned penalties to the General Secretary in a sealed envelope marked: "confidential".
- The President of the Federation of Banks Employees or a nominee from the members of the Federation Board, has the right to request from the General Secretary, to look into any file available at the "Centralization of Penalties" Department, whenever the need arises.

CHAPTER IX
TERMINATION OF SERVICE

Article 30:

- 1- An employee's service is terminated in the following instances:
- Resignation.
 - Discharge from service.
 - Dismissal from service.
 - Attaining of the legal age, which is sixty four years for both males and females.
 - Death.

The retirement legal age, as stipulated above, is not applicable on the Banks whose internal regulations stipulate a higher age limit.

- 2- The employee affiliated to the end of service branch of the National Social Security Fund "NSSF" and upon liquidating his/her rights shall benefit upon departure from an exceptional bonus equivalent to:
- five (5) months' salary if the employee has served in the same bank for a continuous period varying between 25 to 30 years.
 - six (6) months' salary if the employee has served in the same bank for a continuous period exceeding 30 years.

- 3- Whereas the "NSSF" operates a mandatory settlement of the end of service indemnity due to the employee who joined the scheme when he/she attains the age fixed by the "NSSF's" regulations, the end of service indemnity for the years exceeding the limit of age as fixed by "NSSF" until the actual termination of the employment shall remain the liability of the Bank which should pay the employee of whatever grade upon the termination of his/her services the equivalent of one month salary for each year of service following the date adopted to settle his/her dues with the "NSSF". For the implementation of the above provision, a part of a year shall be considered as one complete year.

RESIGNATION

Article 31:

Any employee of whichever category can tender his/her resignation at any time, but cannot leave his/her work until after the acceptance of the resignation or upon the elapse of the legal notice.

Article 32:

A resigning employee, of whichever category, and who is not a member of the National Social Security Fund is entitled to termination of service indemnity in full.

The resigning employee will be paid half the indemnity due to him/her immediately upon his/her leaving the work, and the other half upon the elapse of three months and after ascertaining that the employee did not work, during the said interval, with another bank in Lebanon.

Regarding the employee who spent in the service twenty years or more, the full indemnity will be paid to him/her unconditionally at the rate of one month's salary for each year of service.

DISCHARGE OF SERVICE

Article 33:

An employee of whichever category, who is not a member of the "NSSF", and who is discharged from the service, is entitled to an indemnity equal to one month's salary for each year of service, without limitation.

Article 34:

In the event of dismissal of an employee from service for any reason in accordance with the Law, he/she is not entitled to any indemnity.

DEATH

Article 35:

- 1- In the event of death of the employee of whichever category who is not a member of the “NSSF”, the full indemnity will be paid to his/her legal heirs as designated by decree N°. 8496, dated 2/8/1974.
- 2- An additional indemnity will be paid to the family of the deceased employee equal to his/her salary for three months, with a minimum of LBP 3,000,000. – (three millions Lebanese Pounds) as funeral expenses, regardless of whether the employee is a member of “NSSF” or not.
- 3- In case of the death of employee’s wife or one of his/her dependents who are under his/her custody, the employee shall benefit from an assistance equivalent to a month salary, and this assistance cannot be less than LBP 1,500,000. – (one million five hundred thousand Lebanese Pounds)

Article 36: Calculation of Indemnities

The indemnities provided for in this Chapter (Termination of service) shall be calculated on the following basis:

- One-twelfth of the total amounts received by the employee, on the basis of the last month salary, the allowances, as well as the pecuniary and in – kind benefits during the last year of service.
- The employee is also entitled to his/her salary for the legal notice period in case he/she was not kept on duty during the period of notice.
- Part of a year of service shall be considered as one complete year.

CHAPTER X

UNION ACTIVITIES

Articles 37:

Members of the Executives Council of the Federation of Unions of Bank' employees in Lebanon and the members of the Executive Councils of the unions in the districts are entitled to absent themselves from duty on exceptional cases for the performance of Union activities. They are also entitled to extra leaves yearly, within the limits of 25 days per year, to attend union conferences or missions abroad, taking into consideration in both cases the circumstances of the work in the bank for which the member of the Executive Council is working.

Article 38:

- 1- The members of the Executive Council of the Federation and of the Executive Councils of the Unions, as well as the authorized representatives are not to be exposed to penalties by reason of their union activities.
- 2- The Federation of Banks' employees should deliver to the Association of Banks, at the beginning of every year, an official list including the names of the members of the Executive Board, the Syndicates Boards, and the authorized representatives. The Federation should advise the Association of any changes to the said list.

CHAPTER XI

TRANSFER OF EMPLOYEES

Article 39:

The Bank's Management has absolute right to transfer any employee to any of its branches in Lebanon, taking into consideration the additional burdens he/she will suffer as a result of such transfer. An exception to this is the Branch Manager, who may be transferred without consideration. Beirut and its suburbs are considered as one area.

Article 40:

Members of the Executive Council of the Federation of Unions of Banks' Employees in Lebanon and members of the executive committees of the Federation may not be transferred outside their place of work except with their consent. Beirut and its suburbs are considered as one area.

CHAPTER XII

MEDIATION AND ARBITRATION

Article 41:

The Arbitration Committee is constituted of four members: two representing the Association of Banks, the other two representing the Union of Banks Employees in Lebanon, whose mission consists of examining immediately any conflict regarding the explanation of the substance of the present Contract texts.

In case no acceptable solution is reached by both parties, the Committee shall choose one of the Senior Judges to join it as arbitrator, and the decisions of the Committee, thereafter, become binding on both parties.

Article 42:

The Arbitration Committee should provide its decision during one month at the utmost. Its decisions are to be enforced and will not be subject to appeal.

CHAPTER XIII

MISCELLANEOUS ARRANGEMENTS

Article 43:

Every employee shall, upon his/her acceptance of service in a bank, sign a statement containing information about his/her personal conditions and family status.

Article 44:

The date of birth of the employee shall be that registered in the Identity Card produced at the time of his/her acceptance in the service of the Bank; such date shall be considered in the relations of the bank with the employee.

Amendment or correction in the said date shall not be considered after filling the post, unless it is a result of court order of any kind.

Article 45:

Every employee of whichever category shall notify the bank, in writing, under pain of penalties and without delay, of every change in his/her family status resulting in a change in his/her right to the regular remunerations and allowances (marriage, divorce, death of wife or husband, births, marriage or death of every child etc)

CHAPTER XIV

TRANSITORY PROVISIONS

Article 46:

Banks which have granted contributions, benefits, allowances and salaries higher than the ones provided for in this Agreement, shall be obliged to retain them as they constitute an acquired right to the employees of the bank.

Article 47:

If there are at some banks employees whose salaries exceed either the grade they actually occupy within the cadre of the bank or the duty which they actually discharge, such employees shall retain their salary and grade of duty at the date of putting this Agreement into force.

CHAPTER XV

LOANS SCHEMES

Article 48:

The “Loans Scheme for Banks’ Employees” (housing loans and various loans) annexed to the Collective Agreement shall be considered as an integral part of this agreement and shall be applied as per the terms therein.

CHAPTER XVI

POST-END-OF-SERVICE HOSPITALIZATION SYSTEM

Article 49:

First - Banks are engaged upon signature of the Collective Labor Agreement 2016-2017 to ensure their employees the right of continuity of hospitalization coverage insurance in second class known as "Conversion Privilege Options (CPO)" , so that they can benefit after the retirement age from the coverage of the contracting insurance company with the bank and / or the hospitalization mutual fund, knowing that the insurance premium is paid by the employee who will have a period of 90 days starting date of end-of-service to claim his right to adhere.

The employee's spouse can benefit from the CPO program provided the partner employee is assuming the insurance premium.

The Bank is committed to shift employees that have reached the retirement age and had adhere within the above mentioned period to the insurance company that have replaced the one who issued the right of continuity (CPO).

Also, the Bank is committed with the contracting insurance company that produces the CPO to state in the insurance policy the following paragraphs:

- 1- Not to add any exclusions that were not initially stated in the policy, or deny membership to employees who have reached the retirement age.
- 2- For pensioners adhering to the group insurance policy, the annual insurance premium in the 2nd class hospitalization should be calculated according to the declared price-list (with age brackets) by the insurance company to the Bank, and which is in force for

employees in service along with those under contracts and still in function after retirement age.

Second - If the private system implemented in a bank (hospitalization and medical care coverage) for retirees and whose services are more beneficial than the CPO system, it remains in effect.

CHAPTER XVII

DURATION OF THE AGREEMENT

Article 50:

The present Agreement shall be in force for two years with effect from January 1st, 2016, after the approval of the concerned ministry in accordance with the Law.

The provisions of this Agreement shall be reviewed within a period of six months prior to its expiry.

APPENDIX

ANNEX TO THE COLLECTIVE AGREEMENT OF 2016 - 2017 WHICH CONSTITUTES AN INTEGRAL PART OF IT: BANKS' EMPLOYEES LOAN SCHEMES

First: General Conditions

1- Allotments:

- The bank shall allot to the loans it grants to its employees, at the utmost, 1% (One Percent) for housing and repair loans and 0.5% (Half Percent) for various loans, from the funds deposited at the bank in LBP, as they are on December 31st of the year which preceded the one in which the loans are granted.
- The current loans are considered within the two above – mentioned proportions.

2- Loan Interest

- a-Upon granting the loan, the interest rate shall be equivalent to the medium rate of money cost deposited with the banking sector in Lebanon, as determined every month by the Central Bank and notified by the Association to the banks. The rate for each loan is set for one full year.
- b-The interest rate is reviewed every two years, starting from the date on which the loan is granted, according to the same principles stipulated in paragraph /1/ above.

Second: Housing Loans

Article I - Allotments of Housing Loans to Banks' Employees

- 1- Banks shall grant their employees Housing Loans within the allotments stipulated in paragraph /1/ of the “general conditions” above.
- 2- The two parties have concurred on considering the housing loans subject to the present scheme counted within any future loans which might be enforced in the future by the Lebanese Authorities for financing housing projects, provided they collaborate jointly to ensure this aim.
- 3- The housing loans for banks employees shall be subject to the rules and regulations stipulated in this scheme.

Article II - Conditions which should be fulfilled by loan applicant

The loan applicant should fulfill the following conditions:

- 1-Should be Lebanese.
- 2-Should have completed at least two consecutive years in the service of the same bank on the date of the application while the remaining years of service until retirement should be sufficient to settle the loan.
- 3-The place of work of the applicant should be in the same province where he/she intends to buy or build a house. Employees working in Beirut Province and its suburbs are allowed to own or construct in Beirut or its suburbs to the extent of 25 km from its boundaries.
- 4-The applicant should not own, himself/herself nor any member of his/her family, i.e. husband, wife, children dwelling with him, a building or residence within an area not exceeding 25 km from his/her working location.

- 5- He/She should not have had himself/herself or any member of his/her family mentioned in paragraph (4) above any previous housing loan from whichever source.
- 6- He/She shall undertake, in case of owning an unconstructed plot, to start building the residence within a maximum period of one year from the purchase date and shall finalize the building works in full within a period of another two years.
- 7- He/She shall undertake not to dispense with the unconstructed plot mentioned above and the residence and to refrain from placing any real right upon or taking any measure which reduces its value, before settlement of all the installments due.
- 8- He/She shall undertake to occupy the residence in principle himself/herself or with his/her dependents immediately upon purchase or on completion of construction during the whole period fixed for the settlement of the installments and shall undertake, under any circumstances, not to lease it until settlement of the whole installments.
- 9- He/She shall undertake to up-keep the premises throughout the period required for the settlement of the whole installments.
- 10- He/She shall undertake not to utilize the loan, whether in part or in full, for a purpose other than that for which it was originally granted.
- 11- He/She shall present all the certificates and documents which the bank requires from him/her, especially those which the bank requires from its clients when granting them loans against collateral securities.
- 12- He/She shall present to the bank the securities outlined in Article (8) of this scheme.
- 13- The bank has the right to supervise the execution of the residential project at any time it deems suitable to ensure that the debtor is adhering to the regulations proportion to the executed stages.

Article III - Priorities in granting loans

The bank shall follow a priority administrative procedure in granting loans, taking into consideration especially the following factors:

- a- Seniority: Priority is given to the applicant employee according to his/her seniority in the bank in which he/she is working, provided the duration of work with the same bank shall not be less than two consecutive years in all circumstances.
- b- The loan applicant shall be married and supporting a family.
- c- He/She should have saved an amount of money which enables him/her to participate in the execution of the project for acquiring a residence. In this case, he/she should have, at the time of applying for the loan, at least 10% (Ten percent) of the price of the residence he/she intends to buy or build. Also, should the loan be for building, the plot must be wholly and solely owned by the applicant or his wife/her husband.

Article IV - Loan Amount

- 1- The loan amount should not exceed 90% (Ninety percent) of the residence cost or price.
- 2- For the purpose of fixing the amount of the loan, the monthly installments, which the applicant has to pay, principal and interest, shall be taken into consideration, in a way whereby the amount of a single installment shall not exceed the third of the monthly income of the applicant at the date of granting the loan. It is meant by monthly income, the basic salary, added to it H.C.L. and the family allowance. The additional months' income shall also be accounted for proportionately.
- 3- In all circumstances, the loan amount shall not exceed in principal, excluding the interest, an amount of LBP. 75.000.000. – (Leb. Pounds Seventy Five Million only) as a maximum.

Article V - Loan Interest

The interest on the loans shall be calculated according to paragraph /2/ of the “general conditions” above.

Article VI - Loan Duration

- 1- The minimum duration of housing loans settlement is fixed for two years, and the maximum duration for twenty years. The period will commence from the date of acquiring the whole loan.
- 2- In all circumstances, the duration of the loan should not exceed the remaining number of years of service left for the borrower until attaining the legal retirement age stipulated in the Article 30 of the Collective Labor Agreement.
- 3- The loan duration as fixed on the date it was granted, may be shortened when the amendments to the installments referred to the Article (7), paragraph (4 c) of this scheme lead to an early settlement of the whole loan.

Article VII - Installments and Settlement

- 1- The loan shall be settled through the payment of monthly equal installments.
- 2- Each bank shall follow its own private way to ensure the borrower’s commitment to pay the monthly installments due on him/her (Signing bills or letter of undertaking, etc.).
- 3- Settlement of the first installment shall commence after the elapse of one whole year from the date of acquiring the whole loan.
- 4- The monthly installment shall be fixed as follows:
 - a)The installment shall cover the principal and interest.

- b) The monthly installment shall be one third of the borrower's monthly income, as outlined in Paragraph (2) of Article (4) of this scheme.
- c) The monthly installment shall be amended once a year after receiving the annual increment and H.C.L. making the installment within the third of the monthly income in the first five years and shall be reduced to 25% (Twenty Five Percent) of the income for the following five years, and to 20% (Twenty Percent) for the balance of the loan provided that any amendment to the installment shall not lead to an amount lesser than the previous installment.

5- In case the borrower does not pay three successive installments, for whatever reason, all the remaining installments shall fall due immediately without a need to send a warning or any other action.

6- The loan or its balance shall fall due immediately in case the borrower breaks any of the conditions agreed upon, especially if it is discovered that he/she has presented false certificates or documents or if he/she has not started executing the residential project, or if execution is not completed within the prescribed periods or if he/she utilizes the loan in part or in full for a purpose other than that for which it was granted, or if he/she sells the residence, object of the guarantee.

7- If the borrower repels any of the loan conditions, the bank has the right to sell the residence, on the borrower's responsibility and expense, charging him/her with all interests, fees, expenses and remunerations of any nature.

8- The borrower has the right to settle the whole balance of the loan or any part of it before maturity.

9- If the borrower resigns from the bank where he/she works for any reason, he/she must settle the whole balance of the loan immediately.

10- If the loan or what remains of it falls due for what ever reason mentioned in Paragraphs (5, 6, 7, 9) above, then the prime lending rate fixed by the Banks Association, or the one implemented by the banks shall apply on the balance of the loan until final settlement.

Article VIII - Securities

1- Every borrower must provide the bank with the following securities:

- a) First Legal Mortgage of the residence or plot in favor of the bank as a collateral to the principal, interest and the expenses together with an undertaking not to placing any other legal right on the plot.
- b) Foregoing on the part of his/her income equivalent to the monthly installment which he/she has to settle.
- c) Life insurance policy in favor of the bank covering the whole loan, principal and interest in case of death or incapacity. This policy may be reduced year after year relatively to the settled installments.
- d) Insurance policy in favor of the bank covering the construction for the amount of the loan and interest. This policy may be reduced year after year relatively to the settled installments.

2- The cost of the securities subject of this article, together with the costs of the required certificates and documents is on the borrower's expense.

Article IX - Loans for the improvement or repairs of an existing residence

The loans granted for the improvement or repairs of an existing residence shall be governed by the following rules, conditions and procedures:

- 1- The maximum loan amount: The loan amount shall not exceed LBP. 15.000.000. – (Fifteen Million Lebanese Pounds). Upon setting the

monthly installments, the borrower should pay as a principal and interest, the amount of one installment – including the other loans the borrower has benefited from – shall not exceed one third of the monthly income of the borrower, on the date the loan is granted, plus the H.C.L., the family allowances, and the additional months income.

- 2- The maximum loan duration: The maximum duration for the loan is ten years.
- 3- The improvement and repairs loans are granted within the one percent mentioned in paragraph /1/ of the “general conditions” of the banks employees housing loan scheme annexed to the present contract and lie within any loan the Lebanese Authorities will impose in the future for the same purpose.
- 4- The loan applicant should fulfill the following conditions:
 - a- Should be Lebanese.
 - b- Should have completed at least two consecutive years at the service of the same bank on the date of the application while the remaining years of service until retirement should be sufficient to settle the loan.
 - c- The place of work of the applicant should be in the same province where the residence, object of the repair loan, is located. Beirut and its suburbs to the extent of 25 km to the place of work are considered as one province.
 - d- The applicant shall undertake to occupy the residence in principle himself/herself or with his/her dependents and to up-keep the premises throughout the duration of the loan.
 - e- He/She shall undertake not to utilize the loan, whether in part or in full, for a purpose other than that for which it was originally granted. The bank has the right to supervise the execution of the residential project at any time and in any way it deems suitable.
 - f- He/She shall present all the certificates and documents which the bank requires from him/her.

- g- He/She shall provide the bank with the following securities:
- Foregoing on the part of his/her income equivalent to the monthly installment which he/she has to settle.
 - Foregoing on his/her end of service or discharge indemnity until the settlement of the installments, due according to the proportion allowed legally.
 - Life insurance policy in favor of the bank covering the whole loan, principal and interest, in case of death or incapacity. This policy may be reduced year after year relatively to the settled installments.

5-Loan priority: The improvement and repairs loans are subject to the priorities scheme (Article 3, except for paragraph /c/) in force in the housing loans.

6-Loan interest: The interest rate on loans is calculated according to paragraph /2/ of the “general conditions” above.

7-Installments and settlement: The settlement of the loan is subject to Article 7 of the housing loans scheme.

Paragraphs /6/ and /7/ of the mentioned article are cancelled and replaced by the following text:

“The loan or its balance shall fall due immediately in case the borrower breaks any of the conditions agreed upon, especially if it is discovered that he/she has presented false certificates or documents or if he/she utilizes the loan in part or in full for a purpose other than that for which it was granted.”

Third: University Loans

Article X

Banks grant their employees specialized loans to cover the expenses of their children’s education (university fees), in private universities in Lebanon and abroad:

- A- The objective of the loan is to cover the university fees of the employee's children
- B- It is up to the bank management to examine the loan demand and take the adequate decision in this matter.
- C- The employee, with two consecutive years at least at the service of the bank, can benefit from this loan, provided that the remaining duration till the end of his/her service is not below the duration of the loan resettlement.
- D- The management sets the amount of the loan, provided that this global amount does not exceed the equivalent of 50% of the amount of university fees to be settled for one child.
- E- The loan is reimbursed in six monthly installments, provided that half of the employee's salary is free and not subject to seizure.
- F- The interest applied to the loan is that stipulated in paragraph 2 (A) of the system of loans to banks employees (first: general provisions).

Fourth: Various loans

Article XI:

The banks grant their employees loans to fulfill their different needs, within the allotments set in paragraph /1/ of the "general conditions" above and according to the following conditions:

- a-The objective of the loan is to fulfill the basic and necessary needs of the loan applicant.
- b-The Management is entitled to examine the loan application and take the adequate decision in this regard.
- c-The employee should have completed at least three consecutive years in the service of the same bank while the remaining years of service until retirement should be three years at least.

- d-The Management sets the amount of the loan, on the condition that its global value – principal and interest – does not exceed the total of the salaries of the loan applicant for one year, on the basis of his/her salary on the date the loan is granted, and within a maximum limit of twenty million Lebanese Pounds. The “salary” means in this regard, the basic salary, including the H.C.L.
- e-The interest rate on the loans is calculated according to paragraph /2/ of the “general conditions” above.
- f-The loan is settled within three years, starting from the date of its grant and according to monthly installments covering the principal and the interest.