

## Company Profile

<b>Organization Name: MIDCLEAR S.A.L.</b>
<b>Country/ Region: LEBANON</b>
<b>Name of CEO: FOUAD EL KHOURY</b>
<b>Capital (US\$): 1.866.666,- US\$</b>
<b>Number of Officers and Employees: 36 employees</b>
<b>Ownership and Governance (Main Shareholders)</b> The Central Bank of Lebanon owns 99,79 % of Midclear's Capital.
<p><b>Brief History</b></p> <p>MIDCLEAR S.A.L. is a Lebanese joint stock company with a capital of 2.8 Billion LBP, established and governed by the provisions of the Lebanese Commercial Code and other regulations in force in the Lebanese Republic. It has been mandated that the Central Bank of Lebanon shall continue to be the holder of not less than 75% of the company's capital as specified in the Articles of Incorporation.</p> <p>MIDCLEAR S.A.L. was appointed Central Depository for Lebanon By Law No 139 of October 1999 and Central Registrar for all Lebanese banks shares, by Law No 308 of April 2001.</p>
<p><b>Types and number of Participants</b></p> <p>Midclear's Members are:</p> <ul style="list-style-type: none"> <li>- The Central Bank of Lebanon</li> <li>- The Ministry of Finance</li> <li>- Local Banks 45</li> <li>- Non Resident Financial Institutions 14</li> <li>- Local Investment Banks 13</li> <li>- Local Issuers 10</li> <li>- Local Financial Institutions 12</li> <li>- Mutual Funds 29</li> <li>- Non Resident Funds – Issuers 2</li> <li>- Resident Funds – Issuers 16</li> <li>- Foreign Central Securities Depository and Clearing 2</li> </ul>

<p><b>Regulatory Environment</b></p> <p>Law 139 and Law 308</p>
<p>Stock Exchanges Beirut Stock Exchange</p>
<p>Other CSDs or clearing organization in your country Central Bank of Lebanon</p>
<p><b>Services Provided</b></p> <ul style="list-style-type: none"> <li>- Safekeeping of securities for participants.</li> <li>- Immobilization of physical securities.</li> <li>- Book-entry clearing and settlement of transactions in a secure and cost effective environment.</li> <li>- Accurate, timely and cost effective means of collecting, distributing and accounting for dividend and interest payments.</li> <li>- Maintaining shareholders registers. By Law No 308 of April 3rd 2001, Midclear was appointed Central Registrar for all Lebanese banks shares.</li> <li>- Administering Mutual Funds.</li> <li>- Official numbering agency for Lebanon (ANNA member).</li> </ul>
<p><b>Eligible Securities: Shares and Bonds</b></p>
<p><b>Corporate Action services Provided? Yes/No (If yes, what kinds of services provided?)</b></p> <p>Yes, Midclear provides corporate action services.</p> <p>Corporate Actions processing varies depending on the classification of the corporate action event .</p> <p>Corporate action event can be classified into four categories:</p> <ol style="list-style-type: none"> <li>1) Mandatory distributions without options (i.e. dividend payment, bonus issue, capital gains distribution, interest payment, redemption payment , liquidation dividend/liquidation payment, spin off etc....)</li> <li>2) Mandatory distributions with options (i.e. dividend reinvestment, scrip dividend payment, exchange, tender, etc.....)</li> <li>3) Voluntary distributions (dividend option, conversion, etc....)</li> <li>4) General (meeting, consent, disclosure, etc....)</li> </ol> <p>The Corporate actions proceeds can be in cash or securities:</p> <p>In all corporate action events, the execution usually starts with the announcement, then entitlement next to election, and finally distribution.</p> <p>First, with the announcement, the information is received from Issuers or newspapers, or from Beirut Stock Exchange for listed shares, and then reported to the clients involved in the</p>

<p>announcement.</p> <p>Second, for the entitlement, holders should check their positions as of the record date and the entitlements to be distributed (cash or security).</p> <p>As for the election, clients notify Midclear of their election instruction and in return, Midclear instructs the issuer.</p> <p>Finally, the distribution is executed upon receipt of cash or securities.</p>
<p><b>Value of Securities in Custody (US\$): as at 31/12/2017 USD 78.90 Billion</b></p>
<p><b>Amount of Cash Settled per annum (US\$): as at 31/12/2017 USD 1.52 Billion</b></p>
<p><b>Percentage of Securities Immobilized/ Dematerialized:</b></p>
<p><b>As at 31/12/2017</b></p> <p><b>Market Capitalization: 11.47 Billion</b></p> <p><b>Trading volume per annum (US\$): 86.98 Million</b></p>
<p><b>As at 31/12/2017/ Per annum (US\$):</b></p> <p><b>Revenues : 12.619.039 USD</b></p> <p><b>Expenses : <u>8.645.183 USD</u></b></p> <p><b>Net Income: 3.973.856 USD</b></p>
<p><b>Memorandum of Understanding/ Business Agreement (Date):</b></p> <p><b>Agreements Signed between:</b></p> <p><b>Euroclear and Midclear (June 1998)</b></p> <p><b>Clearstream Banking and Midclear (September 1995)</b></p> <p><b>ANNA and Midclear (June 2000)</b></p> <p><b>SWIFT and Midclear (June 1997)</b></p> <p><b>Triparty agreement signed between Kuwait clearing house, MCSD Egypt and Midclear (October 1996). Midclear has business subcustody agreements with Non Resident Members, and agreements with Local issuers companies.</b></p>
<p><b>Cross-Broader Transaction (Counterpart)</b></p> <p><b>All Euroclear And Clearstream Banking participants.</b></p>
<p><b>Withholding Tax Treatment of Cross-Border Trading Transactions (Details)</b></p> <p><b>Shares subject to withholding Tax according to Markets In general, Bonds not subject to Withholding Tax with certain exceptions.</b></p>
<p><b>DVP Implementation (Yes/No) Yes (for Local Market)</b></p>

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**Settlement Period T+3 for Stock exchange transactions.**

**Contact Information : Zeina Merhej Boustany**

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**Remarks**