Amstelveen, 31 August 2020

Subject: Engagement letter

In our recent phone conversations you informed us that the Ministry of Finance, representing the Government of Lebanon, initiated a financial reform project for the state of Lebanon and might request the support of the IMF.

You have therefore requested us to assist the Ministry of Finance team in understanding the measurement basis and in making an assessment of the financial position of the Lebanese Central Bank (hereafter: ‘Banque du Liban’ or ‘BDL’ or the ‘Bank’).

We expect that this will be achieved through performing an assessment of a more transparent and informative set of special purpose financial statements of BDL prepared on an agreed alternative measurement and recognition basis.

By means of this letter, we confirm the manner in which we plan to conduct the engagement and the applicable conditions.

This letter sets out the terms pursuant to which the Republic of Lebanon, represented by the Ministry of Finance (‘Ministry of Finance’, ‘you’ or ‘your’), which initiated the aforementioned financial reform project, engages KPMG (‘KPMG’, ‘we’, ‘us’ or ‘our’) to perform the work as stipulated in this engagement letter.

The engagement

Given the above mentioned information and the limited (financial) information available to us, we suggest to perform this engagement in four different phases:

— perform an assessment of the statement of financial position of BDL as at 31 December 2018 in order to obtain a better understanding of the activities, the nature of transactions performed and the financial position as presented by BDL (Phase 1);

— review the revised accounting framework as proposed by the team involved in the reform project, which could be used as a basis for preparation of the special purpose financial statements of BDL for the Ministry of Finance team in assessing the financial position of BDL (Phase 2);
Ministry of Finance Lebanon  
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— perform an audit of the special purpose balance sheet of BDL as at 31 December 2019. The audit of the special purpose balance sheet serves as the basis for our audit of the special purpose financial statements 2020 (Phase 3);

— perform the audit of the special purpose financial statements of BDL for 2020 (Phase 4).

During the engagement we will ensure alignment with Oliver Wyman to ensure a smooth flow of information and timing thereof.

The Client shall create a committee of three members which reports to the Minister of Finance and that is responsible to follow up and monitor the performance of KPMG engagement team to ensure that they comply with the terms of participation set forth in this agreement. Weekly meetings shall occur during which the KPMG engagement team will update the Minister of Finance on progress.

The Ministry of Finance will ensure that KPMG will obtain the appropriate information required to perform the work in each of the four phases. You will ensure that the Bank will constructively cooperate to enable KPMG to successfully execute this engagement.

The engagement has deliberately been divided in 4 phases, as at this moment KPMG does not have sufficient insight into the actual financial position of BDL and knowledge about the Bank. The information that KPMG will obtain from the first phase should enable it to assess whether KPMG will be able to perform an audit of BDL at all. In addition to our contractual and legal rights to terminate the engagement we have the right to terminate the engagement with immediate effect after every phase and we have the right to terminate the engagement with immediate effect at every moment if in our opinion there is a major change in the political climate in Lebanon. In such a case we will firstly discuss the reasons with you and give you the opportunity to address our concerns.

Below we have summarised the work performed in the four phases.

**Phase 1**

— During Phase 1 we will perform an assessment of the 2018 financial statements of BDL in order to get a better understanding of the activities of BDL, the currently applied accounting framework and the component and content of the balance sheet items. This understanding is necessary for continuing with the next phase(s). In our reporting to you we will comment on topics such as:

— significant accounting judgements made;

— procedures, evidence and conclusion relating to external confirmations, bank and external custodian reconciliations;
— the existence of balance sheet controls and reconciliation procedures of suspense accounts;
— procedures, evidence and conclusion relating to provisioning for bad and doubtful debts;
— capitalisation of assets; and
— recognition, measurement and derecognition of assets and liabilities in the balance sheet.

We will discuss with you matters arising from our report which may indicate issues which will assist you and/or your advisors. By signing this engagement letter you confirm that you ensure an open and transparent communication between you, your advisors, and other relevant parties in this project, like the IMF, and ourselves.

As a natural consequence of our work there might be a recommendation that an Asset Quality Review of the Banks that BDL has lent to will be required to assess the recovery of advances to those banks. Such an AQR is not part of the scope of this engagement.

For our reporting on Phase 1 we refer to section Reporting of this letter.

At the end of this phase we will form a view on our ability to start and complete Phase 2 of the project.

Phase 2

You will develop a suitable and insightful accounting framework for BDL, most probably based on a well-recognised accounting framework like IFRS or the framework used by the ECB member central banks. It is our understanding that the accounting specialists of Oliver Wyman will also provide their input into this process. Based on the information obtained during Phase 1, we will review that newly developed framework and share our observations with you. Our observations will be based on our knowledge of accounting frameworks as used by other central banks globally. We will provide our recommendations in a separate report to you (refer to the section Reporting in this letter).

After this phase you will select the accounting policies to be used for the preparation of the special purpose financial statements, which will form the basis for our audit procedures in Phase 3 and 4 of this engagement.

At the end of this phase we will form a view on our ability to start and complete Phase 3 and 4 of the project; the completion of Phase 3 and 4 will be agreed and decided between the Ministry of Finance and KPMG.
Phase 3

During this phase we will perform audit procedures on the special purpose balance sheet of BDL as at 31 December 2019 to examine whether this is prepared, in all material respects, in accordance with the accounting framework as selected in Phase 2. The special purpose balance sheet of BDL as at 31 December 2019 has to be prepared and signed by the Bank.

The audit of the special purpose balance sheet as at 31 December 2019 serves as the basis for the audit of the special purpose financial statements 2020 (Phase 4). Based on our procedures performed we will issue an auditor’s report on the 31 December 2019 special purpose balance sheet of BDL. For our reporting on this phase we refer to the section Reporting in this letter.

The preparation of the special purpose balance sheet as at 31 December 2019 is the responsibility of management of BDL. As auditor we should have access to the information of BDL as required under the International Standards of Auditing and since BDL will be compiling the special purpose balance sheet, BDL will be required to provide us with certain representations. Before we start stage 3 we will agree whether a separate contract with BDL to perform these audit procedures is required.

Phase 4

During this phase we will perform audit procedures on the special purpose financial statements 2020 of BDL for the purpose of examining whether the special purpose financial statements 2020 are prepared, in all material respects, in accordance with the accounting policies selected in Phase 2 of the project. The special purpose financial statements 2020 of BDL have to be prepared and signed by the Bank. For our reporting on this phase we refer to the section Reporting in this letter.

The preparation of the special purpose financial statements 2020 is the responsibility of management of BDL. As auditor we should have access to the information of BDL as required under the International Standards of Auditing and since BDL will be compiling the special purpose financial statements, BDL will be required to provide us with certain representations. Before we start stage 4 we will agree whether a separate contract with BDL to perform these audit procedures is required.

It should be clear that based on this engagement KPMG will not act as the statutory auditor of BDL. Therefore we will audit special purpose financial statements 2020 which are intended solely for defined users of the financial reform project initiated by the Ministry of Finance and should not be used for other purposes. The special purpose financial statements 2020 and special purpose balance sheet of BDL as at 31 December 2019 serve a different purpose compared to the statutory financial statements. The audit of the special purpose financial statements 2020 and special purpose balance sheet of BDL as at 31 December 2019 can for that reason not be considered to be a re-audit of the statutory financial statements as audited by EY and Deoitte.
The auditor’s report and our auditor’s opinion together with the special purpose financial statements 2020 and special purpose balance sheet of BDL as at 31 December 2019 respectively, are only meant to be sent to the Ministry of Finance of Lebanon and its advisors in the financial reform project.

Further reference is made to the section Reporting in this letter, where we also address the limited distribution of the reporting. Given the specific purpose of our audit procedures in Phase 3 and 4 it is not allowed to refer to this engagement to the public and or media without our prior written consent. If our work is misrepresented by the engaging party or any other party we reserve the right to correct this by commenting publicly on our work.

Auditor’s responsibility in respect of the audit procedures to be performed in Phase 3 and 4 of the engagement

We will conduct our audit in accordance with Dutch law, including the Dutch Standards on Auditing, the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics) and the ‘Verordening inzake Onafhankelijkheid van accountants bij assurance-opdrachten’ (VIO, Code of Ethics for Professional Accountants, a regulation with respect to independence). For completeness sake we would like to mention that the Dutch Standards on Auditing are comparable to International Standards of Auditing.

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain a high, but not absolute, level of assurance that the special purpose financial statements 2020 and the special purpose balance sheet of BDL as at 31 December 2019 (hereafter the special purpose financials) are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financials. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement in the special purpose financials, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to BDL’s preparation and fair presentation of its special purpose financials in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BDL’s internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by BDL, as well as evaluating the overall presentation of the special purpose financials.

For the record, we should point out that, where possible, the audit will be based on samples. Because of the nature of audit tests and other limitations of an audit, together with the inherent limitations of any system of internal control, there is an unavoidable risk that a misstatement, even one of material importance, may not be detected, even though the audit is properly planned and performed in accordance with the Dutch Standards on Auditing.
Responsibility of the Bank

Our audit will be conducted on the basis that the Bank acknowledges and understands that it has responsibility:

— for the preparation of the special purpose financials, in accordance with the accounting policies selected and disclosed by BDL as meant in Phase 2 of the engagement;

— for such internal control as the Bank determines is necessary to enable the preparation of the special purpose financials that are free from material misstatement, whether due to fraud or error; and

for providing us with:

— access to information which the Bank is aware of is relevant to the preparation of the special purpose financials, such as records, documentation and other matters;

— timely information about changes in the legal structure and the control structure, all financial and other interests and participations, as well as about all the other (financial) alliances, in the broadest sense;

— additional information that we may request from the Bank for the purpose of the audit;

— unrestricted access to persons within BDL from whom we determine it necessary to obtain audit evidence.

The Bank should adequately express its rights and obligations and, where applicable, the invested companies and, where applicable, related parties in the special purpose financials, including those rights and obligations which already exist but have not been recorded through the standard administrative procedures. In some situations, these rights and obligations cannot be detected through auditing procedures. In addition, the special purpose financials should adequately reflect any known and/or expected future events and/or circumstances.

As part of our audit process we will request from the Bank a written confirmation concerning representations made to us in connection with the audit. Moreover, we will request a written representation from the Bank that it believes that the effect of any unadjusted special purpose financials’ misstatements is immaterial, both individually and in the aggregate, to the special purpose financials taken as a whole. A summary of such items will be included in or attached to the written representation.

As part of our audit procedures in both Phase 3 and 4 we might also request written representations from the Ministry of Finance about information received.

Fraud

The primary responsibility for the prevention and detection of fraud rests with the Bank. The auditor is not responsible and liable for the prevention of fraud.
Our audit is not specifically designed to detect fraud. If, during the course of the audit, any indication that an act of fraud has been committed is obtained, in accordance with the Dutch Standard 240 'Verantwoordelijkheden van de accountant met betrekking tot fraude in het kader van een controle van financiële overzichten' (The auditor's responsibility to consider fraud in an audit of financial statements), we will undertake additional procedures regardless of the extent of the fraud, in order to assess whether there is a reasonable suspicion of fraud and, if this is the case, to establish the extent and nature of the fraud in relation to the special purpose financials. If there is an indication or a suspicion of fraud, we will communicate that information to the Bank and/or the Ministry of Finance.

With reference to the Dutch Standard 240, we will request that the Central Bank confirm the following in writing in both Phase 3 and 4:

- The Bank acknowledges its responsibility for the design and implementation of internal controls to prevent and detect fraud and error.
- The Bank has disclosed to the auditor the results of its assessment of the risk that the special purpose financials may be materially misstated as a result of fraud.
- The Bank has disclosed to the auditor its knowledge of suspected fraud, allegations of fraud or actual fraud affecting BDL, involving:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the special purpose financials.
- The Bank has disclosed to us its knowledge of suspected fraud, any allegations of fraud or actual fraud, affecting BDL’s special purpose financials, communicated by employees, former employees, analysts, regulators or others.

The Ministry of Finance shall also inform us when they are aware of any suspected fraud, allegations of fraud or actual fraud affecting BDL. By the end of our audit procedures in both Phase 3 and 4 the Ministry of Finance should represent this to us in writing as well.

Nadere Voorschriften NOCLAR (Regulations on non-compliance with laws and regulations)

The Nadere Voorschriften NOCLAR apply as of 1 January 2019. They contain requirements how we are required to act in case of non-compliance with laws and regulations by BDL. Where appropriate we are required to report a relevant occurrence of non-compliance with laws and regulations immediately to a proper regulatory or enforcement authority. Upon request we will send you a copy of the NV NOCLAR.
Compliance with specific statutory and regulatory requirements

The Bank, is also responsible for compliance with specific statutory and regulatory requirements. An audit cannot be expected to detect non-compliance with all the applicable laws and regulations. Detection of non-compliance, regardless of materiality, requires consideration of the implications for the integrity of the Bank or employees, and the possible effect on other aspects of the audit.

We will ask the Bank to disclose to us all the known actual or possible non-compliance with laws and regulations the effects of which should be considered when preparing the special purpose financials.

The Ministry of Finance shall also inform us when they are aware of any non-compliance with laws and regulations affecting BDL. By the end of our audit procedures in both Phase 3 and 4 the Ministry of Finance shall represent this to us in writing as well.

Independence

Dutch law, including the independence regulations, requires that we will be independent in our services to our assurance clients. These requirements involve limitations regarding the services we may provide to assurance clients. As a general rule, we will not participate in the decision-making processes in BDL or make any decisions on their request. Moreover, additional conditions are applicable to a number of non-assurance services and for other non-assurance services there are limitations. When appropriate, we will discuss these conditions and/or any limitations with the Bank and or the Ministry of Finance.

If we begin performing services for BDL and subsequently identify circumstances which may prejudice our independence in relation to that or other work we perform, or any affiliate within BDL’s structure, we may need to cease work on the engagement. Where this occurs, we have to report about it to you and we will seek to resolve the situation as quickly as possible and seek a solution that allows us to continue with the engagement. In the event that we consider the situation cannot be resolved, we may have to terminate the services and we will be entitled to do so on notice, taking effect immediately on delivery; however, we will consult you before we take that step.

We will include our independence on the agenda of our meetings with the Bank.

Finally, as of the date of this agreement KPMG has not identified other clients whose interests may be adverse to those of the Lebanese Republic. The KPMG firms involved in providing the service should avoid during the period of the agreement rendering services for any other client which can be in a conflict with the Lebanese Republic. Should we become aware of such a situation, we will contact you and seek a solution.
Reporting

Phase 1 and 2

Following completion of our work for Phase 1 and 2 respectively, we shall report formally in writing to you on our findings. During the course of the engagement we shall also give regular updates and/or presentations of our interim findings to you.

Confidential Information may only be disclosed internally, including to other arms of the government, to those who are bound by confidentiality restrictions consistent with those set forth herein. In addition, information may be disclosed to Oliver Wyman solely in connection with their participation of the central bank review, and any other advisors appointed by the Lebanese Government, in their capacity as advisors on the public debt restructuring, on condition that these advisors first sign a hold harmless letter on beforehand. However, in any event it is not allowed to refer to the content of the KPMG reports on phase 1 and 2 to the public and/or media.

Our report(s) will present the findings of our work for the purpose of assisting you with your proposed reform plan. However, it should be clear that this is an assessment phase, so we do not give any assurance in Phase 1 and 2, nor do we perform any audit work during these phases.

We will indicate within our report the sources of the information presented and will satisfy ourselves, so far as possible, that the information presented is consistent with other information which is made available to us in the course of our work in accordance with the terms of this engagement letter. We will not, however, seek to establish the reliability of the sources by reference to other evidence, except as may be specifically agreed in writing between us.

Based on our work performed during Phase 1 and 2 we will report our observations on the suggested accounting framework for use in the special purpose audits during Phase 3 and 4.

Phase 3 and 4

Based on our audits performed during Phase 3 and 4 we will report, in accordance with our audit findings, through independent auditor's opinions and a report including our observations on internal control. The form and content of our reporting may need to be amended in light of our audit findings.

As our audits on the special purpose financial statements 2020 and the special purpose balance sheet of BDL as at 31 December 2019 serve a specific purpose, these audits do not classify as the statutory audit of the financial statements of BDL.

The special purpose financial statements 2020 and the special purpose balance sheet of BDL as at 31 December 2019 and the independent auditor's opinions thereon and our reporting are intended solely for the Ministry of Finance and should not be used for any other purposes.
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Confidential Information may only be disclosed internally, including to other arms of the government, to those who are bound by confidentiality restrictions consistent with those set forth herein. In addition, information may be disclosed to Oliver Wyman solely in connection with their participation of the central bank review, and any other advisors appointed by the Lebanese Government, in their capacity as advisors on the public debt restructuring, on condition that these advisors first sign a hold harmless letter on beforehand. However, in any event it is not allowed to refer to the conclusions of this audit and the reported findings to the public and or media.

All draft reports to be issued during Phase 1, 2, 3 and 4 will be discussed and agreed for factual accuracy with the Central Bank.

Working paper access by regulators and others

All working papers, reports, etc. prepared by KPMG as part of our work in the four phases of the engagement will remain the property of KPMG. We may be obliged to make certain working papers available to other parties, e.g. Dutch and/or foreign regulatory bodies, or judiciary, or provide them with copies of working papers pursuant to the authority vested in it by law or regulation. Any communication with a third party must be notified to the Lebanese Republic.

Based on our confidentiality rules we are, in certain cases, required to obtain your written permission for access to our files. If we receive such a request, we will contact you and/or BDL as soon as possible regarding the conditions under which this request can be accepted.

You or BDL, respectively, have the right to inspect or receive copies of documents contained in the file compiled by KPMG. However, this right of inspection and copies can only be invoked for those documents that have previously been provided by you or BDL respectively to KPMG or by KPMG to you and/or BDL, respectively. Your and BDL’s right of inspection will end upon the lapse of one (1) year after the engagement has been completed.

Team

This engagement will be staffed with senior team members from KPMG the Netherlands, whilst the junior team for the engagement will be staffed by KPMG Lebanon. The team will work under the overall responsibility of Martijn Huiskers, partner of the Dutch firm.

We may appoint other KPMG member firms to support us in the delivery of services under this letter by assigning personnel (individuals or teams) at those KPMG member firms to perform activities for us. Such personnel will work as members of the team assigned to this engagement by KPMG. You may have direct contact with them, but all services delivered under this letter will be provided by KPMG Netherlands and we will remain responsible for all work performed by such personnel.

The Covid-19 virus and any unrest in Lebanon, might prevent the team to being able to access information or people. Although we will try to limit the impact, this might cause delays in performing our procedures.
Fee

KPMG is committed to carrying out the services you require.

Our fee is based on hours spent by our team and the rates stipulated below and any supplementary costs incurred. The individual hourly rates reflect the level of responsibility and the required experience and skills of each team member.

These rates apply to the services included in this engagement letter. Any potential additional services will be concluded in a separate engagement letter. The charge out rates per hour of KPMG the Netherlands are as follows:

(Excluding out-of-pocket expenses, 2.5% technology and support charge, and excluding VAT) EUR

<table>
<thead>
<tr>
<th>Role</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td>550</td>
</tr>
<tr>
<td>Senior manager</td>
<td>410</td>
</tr>
<tr>
<td>Manager</td>
<td>320</td>
</tr>
<tr>
<td>Assistant manager</td>
<td>240</td>
</tr>
<tr>
<td>Other junior team members</td>
<td>180</td>
</tr>
</tbody>
</table>

The rates stated above are excluding out-of-pocket expenses, (such as travel and accommodation costs) and excluding VAT. Such expenses will be charged separately based on our actual costs. No Dutch VAT has to be charged for the costs invoiced by KPMG the Netherlands.

The charge out rates per hour for staff involved from KPMG Lebanon are as follows:

(excluding withholding tax and VAT) USD

<table>
<thead>
<tr>
<th>Role</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant manager</td>
<td>210</td>
</tr>
<tr>
<td>Other junior team members</td>
<td>160</td>
</tr>
</tbody>
</table>

Our professional fees are subject to a 2.5% technology and support charge to cover information technology infrastructure costs and administrative support of our client service personnel which are not included in our client service personnel fee rates per hour. The technology and support fee covers costs such as our client service personnel, computer hardware and customised KPMG software, telecommunications equipment, client service professional administrative support, IT programming, professional services and other client support services.

Our engagement team may include also personnel and or specialists (either individuals or teams) provided by other KPMG member firms. Fees for these services will in such case be separately agreed.
Ministry of Finance Lebanon
Engagement letter
Amstelveen, 31 August 2020

We will address our invoices to:

Ministry of Finance
Attn.: H.E. minister of Finance
Riad El Solh Square, 6th floor, Beirut

with reference to 'The Engagement Banque du Liban dated 26 June 2020' and an additional description for the relevant period. As per our agreement, we will send our invoices digitally to the following email address: Minister@finance.gov.lb.

Our charges will be invoiced based on progress bills. We will send progress bills based on the expected work to be performed during the next 4 weeks. The payment term is 30 days.

As stated in the section Engagement of this letter, KPMG has the right to terminate the engagement after each phase and also when certain conditions are no longer met. The Ministry of Finance will pay all our hours spent and all costs incurred up to the termination of the engagement.

We agreed to set separate budgets for the activities we will perform. The budget is based on the information obtained. The budgets will be agreed with you in writing on beforehand. If the Republic of Lebanon, does not agree on the proposed budget, it has the right to terminate the engagement immediate effect without liability.

As we have not received detailed information on Banque du Liban yet, we have agreed to break up Phase 1 into separate sub-phases. During the first sub-phase we will analyse the information received and report to you our findings and additional areas which need to be further investigated in order to finalise Phase 1. For this first sub-phase we agreed a budget of EUR 100,000.

Cooperation with statutory auditors

We understand that the statutory financial statements of Banque du Liban are audited by Ernst & Young and Deloitte. You informed us that during our engagement we will be granted access to the audit files of the statutory auditors. The Ministry of Finance will facilitate this process.

Virtual workspace KPMG Central

In an effort to enhance timely and efficient professional services, we offer a collaborative, virtual workspace in a protected, online environment ('KPMG Central' or 'KC'), which can be accessed through a web-browser. This workspace allows both you and us to share certain information, knowledge and deliverables and to engage in online discussions in relation to those professional services. The KPMG Central platform is also used for KPMG Clara Client Collaboration.

Access to and use of KPMG Central – which is provided free of charge – is subject to the attached KPMG Central Terms and Conditions, which form part of this letter and which you must accept. By signing this letter you acknowledge receipt of KPMG Central Terms and Conditions and accept the stipulations of the KPMG Central Terms and Conditions.
Each end user of the KPMG Central will be requested to agree to the Terms of Use when logging into KPMG Central. The Terms of Use are published on the KC portal. If you would like to receive a copy of these Terms of Use please contact us and we will provide you with a copy of these Terms of Use.

Data located in the client’s KPMG Central site, will be stored on a server in the Netherlands. KPMG may also use IT support and administrative services operating under our supervision, including third parties located inside and outside the Netherlands for this purpose. These third parties may be provided with access to your information to perform administrative, clerical procedures and to provide support services.

Validity and General Terms and Conditions

This engagement letter will remain valid until the engagement is completed, amended or replaced by a different engagement. Our services are subject to the General Terms and Conditions of KPMG Accountants N.V. (hereafter: ‘General Terms and Conditions’), a copy of which is attached to this letter. By signing this letter, you acknowledge receipt of the General Terms and Conditions and accept the stipulations of these General Terms and Conditions.

However, Parties agree to the following deviations of the General Terms and Conditions:

Article 4(4) through 4(7)

During Phase 1 and 2 of this engagement articles 4(4) through 4(7) of the General Terms and Conditions will be considered good faith obligation for the Republic of Lebanon.

Article 14

In deviation of article 14 of the General Terms and Conditions, Parties agree that article 14 will be replaced by the following:

'Unless otherwise determined in these General Terms and Conditions, the Client's rights of action and other powers to make any claim whatsoever towards KPMG will in any event expire two (2) years after the date on which the Client became aware or could reasonably have become aware of the existence of such rights of action and powers.'

In conclusion

We are very pleased to accept the engagement. For detailed information and comments about our services, you are welcome to also contact Marc Hogeboom, Head of Audit KPMG the Netherlands and or Nafez al Morhabi, KPMG Lebanon Office Managing Partner, not involved in the services to the Ministry of Finance and BDL, in addition to Martijn Huiskers.
Ministry of Finance Lebanon
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Amstelveen, 31 August 2020

If you are in agreement with this letter, please sign and return a copy of this letter to confirm that the letter is a true reflection of our agreement, including mutual responsibilities and the specific procedures which we have agreed will be performed.

Yours faithfully,
KPMG Accountants N.V.

M.A. Huiskers
Partner

Enclosure(s):
General Terms and Conditions of KPMG Accountants N.V. (Version dated: 26 April 2018)
General Terms and Conditions of KPMG Central (Version dated: April 2020)

Approved:
The undersigned is the duly authorised representative of the Lebanese Republic (represented by the Ministry of Finance)

Name authorised representative: 

Position authorised representative:  

Represented by: 

Date: 4 September 2020

Signature:
GENERAL TERMS AND CONDITIONS OF KPMG CENTRAL

These Terms and Conditions apply solely to the access to, and use of, KPMG Central and KPMG Content and are in addition to the Terms of Use. In the event of any conflict or inconsistency between the terms of the [engagement letter] [contract] [agreement] and these Terms and Conditions, Sections one (1) through three (3) and the first paragraph of Section 4 of these Terms and Conditions shall prevail, but only to the extent necessary to resolve such conflict or inconsistency. In addition, in the event of any conflict or inconsistency between the terms of such [engagement letter/contract/agreement] and the second paragraph of Section 4 or Sections five (5) through thirteen (13) of these Terms and Conditions, the terms of the [engagement letter/contract/agreement] shall prevail, but only to the extent necessary to resolve such conflict or inconsistency. Defined terms contained herein but not defined herein shall have the meaning ascribed to them within the Letter to which these Terms and Conditions are attached thereto.

1. KPMG grants to Company a non-exclusive, royalty-free, limited and revocable license to access and use, and to permit Company's officers, employees, agents, contractors and other professional advisors directly involved in any [engagement(s)] [relationship(s)] between KPMG and Company and/or the Authorized Users to access and use, KPMG Central and the content posted on it from time to time by or on behalf of KPMG and/or any of the member firms of the KPMG network of independent firms ("KPMG Content"), solely for the purpose of the relevant [engagement(s)] [relationship(s)].

2. Company will ensure that all Authorized Users who access KPMG Central or the KPMG Content, comply with these Terms and Conditions and as condition of such access, agree to and comply with the Terms of Use. Company will promptly notify KPMG about any Authorized User who should no longer have access to KPMG Central.

3. Company will not:
   a) except as expressly permitted by these Terms and Conditions, permit any third party to access or use KPMG Central, or KPMG Content or use it on behalf of any third party (which includes operating any form of facility on behalf of any third party or operating a software bureau or similar service),
   b) copy, translate, modify, adapt or create derivative works from KPMG Central, or KPMG Content,
   c) create Internet "links" to KPMG Central, or any KPMG Content, or "frame" or "mirror" any KPMG Content on any other server or wireless or Internet-based device,
   d) attempt to discover or gain access to the source code for KPMG Central or reverse engineer, modify, decrypt, extract, disassemble or decompile the software it employs (except to the extent that Company is permitted to do so under applicable law in circumstances under which KPMG is not lawfully entitled to restrict or prevent the same, provided KPMG is given prompt advance notice of Company's intention to do so);
   e) attempt to interfere with the proper working of KPMG Central and, in particular, must not attempt to circumvent security, license control or other protection mechanisms, or tamper with, hack into or otherwise disrupt KPMG Central
   f) or any associated website, computer system, server, router or any other internet-connected device,
   g) rent, lease, lend, pledge, or directly or indirectly transfer or distribute KPMG Central or KPMG Content to any third party,
   h) obscure, modify, amend or remove any copyright notice, trademark or other proprietary marking, or notify or advise or make available any content that infringes any intellectual property rights or data protection, privacy or other rights of any other person, is defamatory or in breach of any contractual duty or any obligation of confidence, is obscene, sexually explicit, threatening, incitement of violence or hatred, blasphemous, discriminatory (on any ground), that does not comply with all applicable laws and regulations ("Prohibited Content"), and shall not permit any Authorized User or other third party to do any of the foregoing.

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5. Company acknowledges that, whilst KPMG has designed KPMG Central with information security in mind and has taken steps to safeguard the security of KPMG Central by way of the measures described in the KPMG Central privacy statement, KPMG cannot guarantee that KPMG Central is invulnerable to hacking or other unauthorized access by third parties. Company also acknowledges that transmission of information over the Internet is not entirely secure and there is always the possibility of unauthorized interception by third parties.

6. KPMG does not guarantee that any content posted on KPMG Central will be free from viruses and/other code that may have contaminating or destructive elements. It is Company’s responsibility to implement appropriate IT security safeguards (including anti-virus and other security checks) to satisfy its particular requirements as to the safety and reliability of content it provides and accesses through KPMG Central. KPMG accepts no liability for the content of any third party websites, hyperlinks to which may be featured on KPMG Central.

7. To the extent that either party processes any personal data comprised in any content posted on KPMG Central for which the other party is the data controller, the processing party shall: (a) process such data only in accordance with the instructions of the other party; (b) use all reasonable endeavors to ensure that it has in place appropriate technical and organisational measures to protect against unauthorised or unlawful processing of such data and against accidental loss or destruction of, or damage to, such data; and (c) process such data in accordance with applicable law.

8. Company acknowledges that KPMG may disclose any and all content on KPMG Central to the extent required to do so by applicable laws, legal process or regulatory authority or pursuant to professional obligations. Company understands that its personal data and/or confidential information may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the data is processed or stored, which laws may not provide the same level of protection as do the laws of the territory in which Company or Authorized Users are located.

9. Technical factors such as bandwidth, network configurations, and computer browser settings can affect KPMG Central’s speed and accessibility. KPMG does not guarantee the continuous, uninterrupted or error-free operability of KPMG Central, or compatibility with Company’s computer browser or any other part of its computing systems. Company acknowledges that access to KPMG Central may be suspended, limited, denied or disabled at any time and that content posted on KPMG Central may not be recoverable. Company is responsible for ensuring that its Authorized Users retain copies of all content posted by them. KPMG has no responsibility for recovering or providing to Company any content posted on KPMG Central.

10. If Company breaches any of its obligations under these Terms and Conditions and any claim is made or threatened against either KPMG or an Authorized User (individually and collectively, the "KPMG Party") by a third party (including claims concerning the posting by Company of Prohibited Content), Company shall compensate the KPMG Party, hold the KPMG Party harmless and indemnify the KPMG Party for any loss, damage, expense or liability incurred by the KPMG Party which results from or arises from or is connected with any such breach and any such claim. If any payment is made by Company under this clause Company shall not seek recovery of that payment from the KPMG Party at any time. In this clause “Company” includes all Authorized Users and “the KPMG Party” includes each and all partners, members, directors, employees, agents of the KPMG Party together with any entity controlled by or associated with the KPMG Party.

11. Company is solely responsible for all use it makes of KPMG Central and of the content posted on KPMG Central. Except as expressly set out in these Terms and Conditions, no implied conditions, warranties or other terms apply to KPMG Central or any KPMG Content. Nothing in these Terms and Conditions limits or excludes KPMG’s liability for death or property damage caused by its negligence or for fraudulent misrepresentation or any other liability that may not, under applicable law, be limited or excluded. Subject to the foregoing, in no event shall KPMG be liable to Company for any indirect or consequential losses, or for any loss of profit, revenue, contracts, data, goodwill or other similar losses.

12. If KPMG’s relationship with Company terminates for any reason, all further access to and use of KPMG Central by Company and its Authorized Users must immediately cease and KPMG may deactivate or delete related user accounts, unless otherwise required by applicable law or professional standards to maintain such accounts. KPMG reserves the right to terminate Company’s access to KPMG Central for any reason, including in the event KPMG becomes aware of any unauthorized use of KPMG Central by Company or its Authorized Users or breach by Company or its Authorized Users of these Terms and Conditions.

13. Company acknowledges that KPMG may update these Terms and Conditions by emailing Company notice of such changes or otherwise updating these Terms and Conditions online at any time, and, to the extent permitted by applicable law, such modifications will be effective immediately. Company agrees to the updated terms and conditions or modified online terms by continuing to use KPMG Central. Company further acknowledges that no professional relationship of any nature is created solely by the access to or use of KPMG Central or through any correspondence or communication with KPMG in relation to such access or use, nor will KPMG’s professional relationship with, or obligations to, Company be affected by such access, use, correspondence or communication. Any such correspondence or communication shall be confidential, on the same basis as established between KPMG and the Company through their professional relationship (where existing).