

For Immediate Release



American University of Beirut “shaping culture” through Rami Makhzoumi Chair in Corporate Governance lecture and book launch

Beirut, Lebanon- 2/11/2012 - The Rami Fouad Makhzoumi Chair in Corporate Governance at AUB’s Olayan School of Business (OSB), the first of its kind established in the region thanks to the generosity of the Makhzoumi family, and in collaboration with Hawkamah Institute of Corporate Governance, inaugurated the first in a series of lectures under the title “Creating Culture: The Power of Corporate and National Governance to Shape Culture”, at OSB Maamari Auditorium on Wednesday October 31, 2012.

“The Rami Makhzoumi Chair’s vision is to elevate governance education, awareness, and practices in the region and lift them to the international best practices,” said Assem Safieddine, interim chair of the Rami Makhzoumi Chair in Corporate Governance, in his welcoming speech. “The chair is devoted to the dissemination of governance knowledge and research by way of closely exposing leaders to solid evidence and tangible experiences of good and bad governance thus unveiling the motives for governance adoption among regional companies.”

Safieddine explained that the chair aims at putting the academic theory and findings of extensive research to their best use by being carried through to practical application and implementation of governance among companies in the region.

“Our vision is to elevate our standards to the level of international norms,” he noted.

The Rami Makhzoumi Chair promotes accountability and good corporate governance in the administration and operation of businesses. The chair has a research and case studies’ development agenda that highlights and draws lessons from the practices of companies in the region in all major areas of governance. Among the objectives are the enhancement of governance practices of private and public sector entities, improving access to affordable credit and capital, increasing decision making capacity and operational efficiency.

The program also targets the regulatory frameworks relating to governance in order to support open and transparent markets that are able to attract investment, as well as fair, rule-based and enforceable governance regimes. The Chair was established by the Makhzoumi

family to continue Rami's vision and legacy of corporate governance following his sudden passing away in 2011, at age 33, due to a brain hemorrhage.

"Culture shapes policy and at the same time policy can influence and change culture," said Teresa C. Barger, managing director and CEO of Cartica Capital, the first keynote speaker of the planned series of lectures. "Culture remains a dynamic force and not just a series of photos which can be misleading. Our interest is in the movement and the future dynamic trajectory."

Barger is a seasoned alternative asset manager focused exclusively on emerging markets and pursuing an "active ownership" strategy in listed markets. She is a member of the Council on Foreign Relations and is a Trustee of the Victory Family of mutual funds. She sits on the boards of the Emerging Markets Private Equity Association and ANERA. She also serves on the Private Sector Advisory Group of the Global Corporate Governance Forum and the Advisory Council of the Pacific Pension Institute.

Barger described how development is a state of mind and that economic life cannot be free of cultural life. When incentives are imbedded in policy, the complex forces in play will have an impact on habits and thus there will be a change in culture.

Barger highlighted the three main moving forces that propel change: an external shock or push that triggers a trauma like the case of Germany and Japan during World War II, how they were considered the most belligerent nations, and now are the 2 most peaceful ones; competitive push that propels change like in the case of the Philippines, whereas a clampdown on corruption allowed it to thrive and compete with its neighbors; and building of institutions around the vision of leadership as in the case of Lebanon during the Fouad Chehab era and the building of a government of institutions.

"Many countries that were considered hopeless and lost cases have turned the tables around and are now prosperous," she said. "This list includes Poland, South Korea, China and Japan as the best examples."

"The crucial ingredient is not the existence of adequate laws and regulations but their enforcement as well," she emphasized.

Barger praised the Lebanese Central bank and the banking sector in general for achieving high governance standards. "Since Lebanon is so complex in more ways than one, then I will say it is a cultural thing but you should know better," she concluded.

In closing, a short video of Steven Sonsino, who together with his wife Jacqueline Moore, wrote "The CEO's Journey: The Life and Leadership of Rami Makhzoumi", was aired where Sonsino described how it took about a year, with over 70 interviews of family and associates, to deliver a true and in depth account of Rami and his vision, which centered on "changing the world". It was followed by a short clip of Rami's 'Think Different' initiative.

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228

Note to Editors

About AUB

Founded in 1866, the American University of Beirut bases its educational philosophy, standards, and practices on the American liberal arts model of higher education. A teaching-centered research university, AUB has more than 600 full-time faculty members and a student body of about 8,000 students. AUB currently offers more than 100 programs leading to the bachelor's, master's, MD, and PhD degrees. It provides medical education and training to students from throughout the region at its Medical Center that includes a full service 420-bed hospital.

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