



مصرف الائتمان العراقي  
Credit Bank of Iraq

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**Nomination and Rewards Committee Charter**

Zip	4.0
Release	2019
Update	2023
The number and date of the Board of Directors approval decision	Resolution No. 1/3 dated 10/07/2023
group / administration	Compliance and Corporate Governance Department

## 1. Introduction

The Nomination and Rewards Committee is a committee emanating from the Bank's Board of Directors. It is formed and its powers determined by the Board of Directors, and it is directly affiliated to the Board. The committee is concerned with providing recommendations to the Board of Directors to appoint the Managing Director, in addition to evaluating the rewards of the Chairman and members of the Board of Directors, the Managing Director and the executive management in accordance with the long-term strategic objectives of the bank.

This regulation has been prepared in line with the Central Bank of Iraq Law No. (56) Of 2004, the Banking Law No. (94) Of 2004, and the Companies Law No. (21) Of 1997; and the Corporate Governance Guide for Banks issued by the Central Bank of Iraq. In the event of any conflict between the applicable laws and these regulations, the legal texts are the ones that prevail and operate according to them.

## 2. Scope of work of the committee

The Board of Directors authorizes the Committee to undertake the following:

- 1- Carrying out the tasks and responsibilities that fall within the scope of this regulation.
- 2- The right to obtain - without restrictions - information related to management, employees, bank operations and all related information. The committee may request any information it deems necessary from any of the bank's employees.
- 3- Appointing independent consultants - according to the need - to carry out the tasks assigned to the committee, provided that this appointment is justified.

## 3. Membership and term

1. The members of the Committee shall be appointed or dismissed by the Board of Directors.
2. The Chairman of the Nomination and Rewards Committee must be an independent board member.
3. The Committee shall consist of at least three members of the Board, provided that they are independent or non-executive members.
4. The period of membership in the Committee shall be the same as that of the Board of Directors, and for a period not exceeding 4 years, renewable for a maximum of 4 consecutive years.

## 4. The reporter of the committee

1. The committee's reporter is chosen either by the secretary of the council or any executive employee chosen by the committee, except for the director of the department concerned with the work of the concerned committee.
2. The reporter of the committee shall have the following responsibilities:
  - Preparing and issuing invitations to meetings.
  - Preparing the contents of the committee's meeting agendas and presenting them to the committee for approval.

- Preparing minutes of each meeting held by the committee and obtaining approval thereof.
  - The committee reporter records the attendance of the committee members at each meeting.
  - The committee's reporter is responsible for scheduling all committee meetings, preparing a written agenda, and providing all members with a copy of it, in addition to information about the meeting, within a period of no less than five working days prior to the date set for the meeting.
3. In the event of the absence of the committee reporter, the committee chairman shall appoint another member to carry out the duties of the committee reporter.

## 5. Quorum

1. Only committee members and the secretary are entitled to attend committee meetings. However, any of the bank's management members or their representatives or other specialists may be invited to attend the meetings, based on the committee's request.
2. The quorum for the committee meetings is completed by the presence of at least two members of the committee, and in the event that the quorum is not reached, a new meeting is held.
3. The meeting in which the quorum is reached is considered sufficient to exercise all the powers of the committee and to take any decision in accordance with those powers, in accordance with the mandate of the Board of Directors.
4. The decisions of the committee shall be taken unanimously, or by a majority of votes, with the reservations of those who disagree. If the vote is tied, the vote of the committee chairman shall be preponderant.

## 6. Meetings

### a. Regular meetings

1. The committee holds at least two meetings per year, or as needed, noting that the committee chairman is responsible for setting meeting dates in coordination with the secretary.
2. In the absence of the committee chairman, the attending members choose one of them to chair the meeting.

### b. Conflict of interest

- 1- In the event of any conflict of interest, the member concerned shall not participate in the committee's discussions, nor in making decisions on the matter in question.
- 2- Prepare policies and a charter of professional conduct and present them to the Board of Directors for approval and then circulate them to all employees so that they include, as a minimum, the following:

- Not to use any of the employees internal information in the bank for their personal interest.
- Rules and procedures governing dealing with relevant persons.
- Handling cases that may arise from conflicts of interest.

#### c. Meeting minutes

1. The Secretary shall record the events and decisions issued by all Committee meetings, including recording the names of attendees.
2. Minutes of meetings are signed by the Chairman of the Committee and are provided before the next meeting for approval by the Committee members.
3. Minutes of meetings are passed to all members of the committee immediately, and to all members of the Board of Directors after approval.
4. The Chairman of the Committee presents the minutes of its meetings and recommendations to the Board of Directors for a vote.
5. The committee maintains written minutes of its meetings, in addition to a schedule of the committee's decisions, which is submitted with the minutes of the meeting to the Board of Directors.

### 7. Duties of the Committee

#### First: nomination tasks

1. Ensure that the Board member fulfills the conditions specified in the legislation and in the Corporate Governance Manual.
2. Determining the persons qualified to join the membership of the Board of Directors or senior management in the bank, except for defining the persons qualified to work as a manager of internal audit, which is the responsibility of the Audit Committee.
3. Ensure that the members of the Board are suitable and that they enjoy the highest level of credibility, integrity, competence, necessary expertise, and ability to commit.
4. Ensure the independence of the Board of Directors member and prepare a pledge acknowledging this to be signed by the independent members.
5. Ensure the suitability of members of the executive management, evaluate them, and follow up on their performance periodically, and that they have the greatest degree of credibility, integrity, competence, the necessary experience, and the ability to commit and devote time to the work of the bank.
6. Supervising training and development activity, and ensuring that all employees and executive management attend training courses regarding spreading the culture of governance and applying its practices
7. Ensure the existence of a succession plan for the senior executive management, review it annually, and then present it to the Board for approval. And setting a succession policy to secure the positions of the executive management of the bank, provided that it is reviewed

at least annually, so that the bank is ready to deal normally with any change that may occur to the occupants of the executive management positions without affecting the performance of the bank and the continuation of its operations.

### Second: Reward tasks

Preparing the reward policy and submitting it to the Board of Directors for approval and periodic review, and applying this policy, provided that this policy has the following elements:

- To be in line with the principles and practices of sound corporate governance, in a way that ensures that the bank's long-term interests prevail over immediate or short-term considerations.
- To take into account all the risks to which the bank is exposed, so that a balance is made between the profits achieved and the degree of risks involved in banking activities and business.
- The extent to which the bank achieves its long-term targets according to its approved strategic plan.
- The rewards and salaries policy must include all levels and categories of the bank's employees, conducting a periodic review of the policy for granting bonuses, salaries and incentives or when the Board of Directors recommends it and making recommendations to the Board to amend or update this policy and conduct a periodic evaluation of the adequacy and effectiveness of the policy of granting rewards, salaries and incentives to ensure the achievement of its stated targets.
- Ensuring the preparation of plans and the provision of programs to continuously train and qualify members of the Board of Directors to keep abreast of all important developments in terms of banking and financial services.
- Supervising the process of evaluating the performance of human resources in the bank, especially the executive management, reviewing relevant reports and submitting recommendations in this regard to the Board of Directors.
- Ensure that the policy of granting bonuses takes into account all types of risks to which the bank is exposed, so that a balance is made between the profits achieved and the degree of risks involved in banking activities and business.

### **8. Review and amend the regulations**

The committee must have an internal work regulation that shows its tasks, scope of work, and procedures, including how reports are prepared to the Board of Directors and what is expected of the members of the Board of Directors from their membership in that committee. This regulation is subject to annual review by the committee, in order to ensure the following:

- Covering all governance procedures for the new activities.
- Ensure compliance with regulatory requirements.
- Staying informed of the latest developments regarding corporate governance practices and standards, both at the local and international levels.

- Any other necessary amendments.

In the event that there are any proposed amendments to the regulations, they are presented to the Board of Directors for approval.