Asia Iraq Islamic Bank for Investment and Finance

Charter of the Nomination and Remuneration Committee

Introduction

This committee aims to assist the Board of Directors in fulfilling its oversight responsibilities regarding the nomination and independence of board members, the integrity of the bank's rewards, benefits, incentives, and salary strategies. It also aims to create an attractive work environment to attract skilled and experienced human resources.

Definitions

The terms and expressions mentioned in this charter have the meanings specified below unless the context or circumstances indicate otherwise. For other definitions not included in this document, reference shall be made to the Central Bank of Iraq Law:

Bank

Chairman of the Board	The Chairman of the Board of Directors.
Governance of the Nomination and Remuneration Committee	The distribution of roles, responsibilities, and relationships between different parties and stakeholders (such as the Board of Directors and executive management) to maximize the bank's added value by adopting the optimal approach that balances risks and expected returns. This is achieved by approving the necessary rules, principles, and mechanisms for decision-making and strategic directions and by monitoring compliance to ensure the bank's sustainability and development.
Governance Processes of the Nomination and Remuneration Committee	A set of practices and activities derived from the bank's policies to achieve the goals associated with information and technology.
Goals of the Nomination and Remuneration Committee	A set of primary and secondary goals related to governance and management activities for information and technology to meet institutional objectives.

Institutional Goals	A set of objectives related to governance and institutional management to meet the stakeholders' needs and fulfill the goals of this charter.
Board	The Board of Directors of the bank
Executive Management	Includes the bank's CEO, Deputy CEO, Credit Manager, Financial Manager, Operations Manager, International Banking Operations Manager, Local Banking Services Manager, Internal Audit Manager, Anti-Money Laundering and Terrorism Financing Manager, Human Resources Manager (Personnel Affairs), Administrative Manager, Main Branch Manager, Risk Management Manager, Treasury Manager, Compliance Manager, and any employee with executive authority equivalent to any of the aforementioned roles. This also applies to those directly reporting to the CEO or Regional Manager, and any other manager-level personnel as required by the Central Bank of Iraq Law No. (56) of 2004 and the Banking Law No. (94) of 2004
Stakeholders	Any party with an interest in the bank, such as depositors, shareholders, employees, creditors, customers, or relevant regulatory entities.

Formation of the Committee		
Structure and Number of Members		The committee shall consist of at least three members, including the chairman
Composition of the Committee.	- Member of the Board of Directors (Chairman). - Member of the Board of Directors. - Member of the Board of Directors.	Member Member Secretary of the Committee/Headquarters of the Committee
Term of Service		Membership in the Board of Directors is a prerequisite for committee membership.

Committee membership	
Nomination	**The Board of Directors appoints committee members based on the availability of experienced members**.
Remuneration	The chairman and members of the committee receive attendance allowances for meetings, as per the regulations approved by the Board of Directors.
Committee Secretary	The Committee Secretary, the Human Resources Manager, is responsible for the following tasks: 1. Coordinating committee meetings and sending invitations and agendas. 2. Preparing meeting agendas and providing them to members at least seven days before the meeting date. 3. Recording and documenting meeting minutes and ensuring committee members sign the decisions made during meetings. 4. Following up on the implementation of decisions made during meetings. 5. Keeping the committee's records and documents.

Committee Meetings	
Venue of Meetings	The meetings are held at the bank's headquarters or any other location decided by the committee chairman if holding the meeting at the main office is not possible.
Frequency of Meetings	The committee holds meetings based on invitations from its chairman, at least every two months.
Invitations and Agenda	The committee may invite executive management or bank employees to its meetings as needed to request information or address inquiries related to the committee's functions

Quorum	The committee meeting is valid with the attendance of the majority of its members, provided the chairman is one of them. Attendance can be in person or, with prior approval, via video or phone, though remote participants cannot vote or sign meeting minutes as per applicable laws.
Decision-Making	Decisions are made by a majority vote of attending members. In case of a tie, the chairman's vote is decisive.
Meeting Minutes	The committee must submit a report (meeting minutes) to the Board of Directors after each meeting, detailing the discussed agenda, results, and recommendations for approval. The secretary retains a copy of the report, and the original is kept with the Board Secretary. The committee must also prepare a semi-annual report summarizing its meetings, key topics, and recommendations. This report is submitted to the Board for review and archived by the committee secretary.

Responsibilities of the Committee	
Committee Tasks	• Identify qualified individuals for membership on the Board, taking into account the capabilities and qualifications of the nominated candidates. In the case of re-nominating an existing member, the committee will also consider their attendance and effective participation in Board meetings. • Nominate qualified individuals to join the senior executive management, excluding the Internal Auditor. • Oversee significant appointments within the bank. • Review salaries, wages, and bonuses granted to the members of the Board of Directors, the executive management, and all human resources in the bank. • Supervise training and development activities. • Ensure that Board members attend orientation training courses, workshops, or seminars on banking topics, especially in risk management, corporate governance, compliance, and the latest developments in banking operations. • Follow established and approved criteria for evaluating the performance of the Board and the authorized manager to ensure the performance evaluation is objective. • Provide information and summaries regarding some important topics related to the bank to Board members upon request, ensuring they are continuously updated on the latest relevant banking matters.

	• Recommend approval of the general policies and human resources service system, including the general structure for salaries, wages, and individual and collective incentive schemes, aiming to improve the work environment, increase productivity, enhance individual and institutional performance, ensure loyalty and commitment to the bank, achieve job stability, and attract qualified human resources. • Ensure that there is a policy for granting rewards to the bank's executives, review it periodically, and ensure its implementation. • Recommend setting the salary and other benefits of the authorized manager and the senior executive management. • Ensure the existence of a succession plan for the senior executive management. • Ensure that nominations take into account the availability of a sufficient number of potential candidates capable of performing their duties as Board members, including their skills, knowledge, experience, and professional, technical, academic, and personal qualifications. Nominations should be based on the principle of "the right person in the right place." • Provide recommendations regarding the appropriate size of the Board, including: • Forming Board committees and defining their duties. • Addressing all matters related to the effective performance of Board members
Other Responsibilities	• Review strategic matters related to human resources. • Prepare a compensation policy and submit it to the Board for approval, supervising its implementation with consideration of the following: • Ensuring alignment with sound governance principles, ensuring the long-term interests of the bank prevail over short-term considerations. • The bank’s achievement of its long-term goals in line with its approved strategic plan. • Ensuring that the compensation policy takes into account all the risks the bank is exposed to, balancing the achieved profits with the degree of risks involved in banking activities. • The compensation policy should apply to all levels and categories of the bank's employees, with regular reviews and updates to the policy, and periodic assessments to ensure its adequacy and effectiveness in achieving its stated objectives.

	• Establish a succession policy to secure executive management positions, to be reviewed annually, ensuring the bank is prepared to handle any changes in the executive team without affecting the bank's performance or operations. • Decisions related to the executive management and department heads fall within the authority of this committee. • Recommend and review the allowances, entitlements, and allocations for Board members. • Monitor the implementation of the regulations approved by the General Assembly regarding the periodic performance evaluations of the Board and the authorized manager or regional manager to ensure objective performance assessments. • Monitor the implementation of General Assembly decisions related to the salaries and bonuses of the authorized manager. • Recommend the approval of the general policies and human resources service system, including the overall structure for salaries, wages, and incentive schemes to improve the work environment, increase productivity, enhance individual and institutional performance, ensure loyalty and commitment to the bank, and achieve job satisfaction and attract qualified human resources. • Ensure the existence of a policy for granting rewards to the bank's executives and periodically review and apply this policy.