



**Asia Iraq Islamic Bank for Investment and Finance
Nomination and Remuneration Committee Charter**

The charter has been updated based on the Environmental, Social, and Corporate Governance (ESG) Standards Guide for Banks issued by the Central Bank of Iraq, 2024.

Introduction:

This committee seeks to assist the Board of Directors in fulfilling its oversight responsibilities by establishing a policy to supervise a formal, precise, and transparent process for the selection, nomination, appointment, and reappointment of Board members based on merit. The aim is to ensure a qualified and competent Board that is capable of achieving the Bank's strategy and long-term sustainability.

This is accomplished through the nomination and independence of Board members, and by ensuring the integrity of the Bank's strategies regarding remuneration, benefits, incentives, and salaries. The committee also aims to create an attractive work environment that enables the recruitment of skilled and experienced human resources for roles on the Board and within executive management.

Additionally, the committee is responsible for developing and recommending policies related to the remuneration of the Board of Directors and executive management.

No member of the Board is permitted to participate in determining their own compensation.

Definitions

The terms and expressions mentioned in this Charter shall have the meanings assigned to them below, unless the context or indication suggests otherwise. For any definitions not included in this document, reference shall be made to the Central Bank of Iraq Law.

Nomination and Remuneration Committee Charter

Term	Definition
The Bank	Asia Iraq Islamic Bank for Investment and Finance
Chairman of the Board	The Chairman of the Board of Directors
Nomination and Remuneration Committee Governance	The distribution of roles and responsibilities and the definition of relationships between various parties and stakeholders (e.g., Board of Directors and Executive Management), aiming to maximize the Bank's added value by following an optimal approach that balances risks and expected returns through adopting necessary rules, principles, and mechanisms for decision-making, strategic direction, and monitoring compliance to ensure the Bank's sustainability and development.
Governance Operations of the Nomination and Remuneration Committee	Developing a policy to oversee a formal, accurate, and transparent process for selecting, nominating, appointing, and reappointing Board members based on merit, as well as for appointments in executive management.
Objectives of the Nomination and Remuneration Committee	The main and subsidiary objectives related to governance, information management, and the necessary supporting technologies to achieve institutional goals.
Institutional Objectives	Objectives related to governance and corporate management required to meet stakeholder needs and fulfill this Charter's aims.
The Board	The Board of Directors of the Bank
Executive Management	Includes the Managing Director, Deputy Managing Director, Credit Manager, Chief Financial Officer, Operations Manager, Head of International Banking Operations, Head of Local Banking Services, Head of Internal Audit, Head of AML/CFT, HR Manager, Administrative Affairs Manager, Head of the Main Branch, Risk Manager, Treasury Manager, Compliance Manager, and any other managerial-level staff with executive authority or those required by the Central Bank to comply with Law No. (56) of 2004 (Central Bank Law) and Law No. (94) of 2004 (Banking Law).

Nomination and Remuneration Committee Charter

Term

Definition

Stakeholders

Any party with an interest in the Bank such as depositors, shareholders, employees, creditors, customers, relevant regulators, or the public at large.

Committee Composition

Formation and Number of Committee Members	The committee shall consist of at least three members, all of whom must be independent non-executive Board members. The Chairman of the Board of Directors may not serve as the Chairman of the Committee but may be a member. Committee members may not serve on the boards of two or more companies simultaneously.
Committee Composition	- Board Member - Chairman of the Board - Board Member Roles Assigned:- Chairperson - Member - Member - Committee Secretary / Committee Headquarters

Term of the Committee Board membership is a prerequisite for membership in the Committee.

Committee Meetings

Meeting Venue	The bank's headquarters or any other location decided by the committee chair if holding the meeting at the headquarters is not possible.
Frequency of Meetings	The committee holds meetings upon the chair's invitation. Meetings are held at least four (4) times a year or whenever needed upon a request from the Board of Directors.
Invitations and Agenda	The committee may invite, when necessary, members of the executive management, bank employees, or others to attend meetings to provide information or respond to any inquiries related to the committee's work.
Quorum	The quorum for each Board committee meeting is achieved by the presence of at least two committee members who must be independent non-executive Board members, or a majority of members including at least two independent non-executive Board members.
Decision-Making	Decisions are made by the majority vote of members present. In the event of a tie, the chair's vote is decisive.
Meeting Minutes	- After each meeting, the committee must submit a report (minutes) to the Board detailing the agenda discussed, outcomes, and recommendations for approval. The secretary keeps a copy, and the original is filed with the Board Secretariat. - The committee must prepare a quarterly report summarizing its meetings, key topics, and recommendations, which is submitted to the Board for information and kept by the committee secretary (committee recorder).

Committee Responsibilities

Identify Qualified Candidates	Identify qualified individuals to join the Board of Directors, considering their qualifications, and in case of re-nomination, their attendance and active participation, aiming for a qualified and competent board to achieve the bank's long-term strategy and sustainability.
Support and Advise the Board	Support the Board and provide advice to ensure it consists of members who meet all legal and regulatory requirements and can fulfill their duties effectively.
Nomination Policy	Develop and review the nomination policy for Board members and its committees for Board approval.
Recommendation to Board	Recommend candidates for Board membership to be considered for appointment by shareholders.
Candidate Eligibility	Consider only competent and credible individuals with the necessary skills and experience to exercise objective governance enhancing the bank's goals and performance.
Ongoing Succession Planning	Oversee proactive succession planning and candidate evaluation to ensure organized transitions for Board members, committees, executive management, and other appointments.
Annual Skills Review	Conduct an annual review of the skills and expertise of executive, independent, and non-executive Board members, and disclose this in the annual report.
Annual Performance Review	Conduct and manage the annual performance evaluation of the Board, its committees, and executive management.
Set Appointment Criteria	Define criteria for candidates joining the Board or executive management, excluding internal auditor and risk management appointments (covered by respective committees).
Approve Executive Appointments	Review and approve executive management appointments, including interim, based on the CEO's recommendation.

Committee Responsibilities

Compensation Policies	Develop official, transparent policies for Board and executive management compensation to recommend to the Board. Board members may not participate in setting their own compensation.
Review and Supervise Compensation	Review the Bank's compensation policies, recommend them to the Board, and supervise their implementation.
Alignment with Governance	Ensure compensation policies align with bank governance to balance long-term and short- to medium-term goals.
Strategic Alignment	Ensure policies support the bank's long-term objectives in line with the approved strategic plan.
Risk-Reward Balance	Ensure compensation policies balance all types of bank risk exposures against profits achieved in banking activities.
Review Compensation Practices	Review employee compensation at all levels and recommend improvements.
Regular Wage Policy Review	Regularly review and adjust wage policies to ensure effectiveness in attracting and retaining talent.
Committee Membership Recommendations	Recommend Board committee memberships to the Board.
Continuous Training Programs	Ensure compensation policies include continuous training and qualification programs for Board members to keep up with developments in banking and Islamic finance.
Diversity and Inclusion Policy	Develop, recommend for Board approval, and annually review and monitor the bank's diversity and inclusion policy progress.

Committee Responsibilities

Supervise Annual Evaluations	Oversee annual evaluation of the Board, its committees, and members, and ensure follow-up on resulting actions.
Oversee HR Performance	Supervise the Bank's human resources performance, especially executive management, review HR reports, and recommend improvements to the Board.

| Additional Notes | Board nominations consider factors such as current Board size, composition, skills, independence, diversity, performance in last evaluation, tenure, retirement or resignation, skills needed, bank strategy and future needs, search criteria, continuous engagement with potential candidates, recommendations to the Board for member selection, which in turn recommends to shareholders, and ensures a high-quality onboarding program after elections.