



مصرف الائتھان العراقي
Credit Bank of Iraq

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Corporate Governance Committee Charter

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1. Introduction

The Corporate Governance Committee is a committee emanating from the Board of Directors of the bank, as it is formed and its powers determined by the Board of Directors, and the committee is directly affiliated to the Board. The committee aims to improve the effective supervisory role of the Board in implementing the Bank's corporate governance system.

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 prevail and are operated in accordance with them.

2. Scope of work of the committee

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

- 1- Carry out the tasks and responsibilities that fall within the scope of this regulation.
- 2- The right to obtain - without restrictions - information about the 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 advisors - according to 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 Corporate Governance Committee must be an independent board member.
3. The Committee consists of 3 members of the Board of Directors, most of whom are independent and non-executive members, including the Chairman of the Board.
4. The term of membership 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 subsequent 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 committee reporter has the following responsibilities:
 - Prepare and issue invitations to meetings.
 - Preparing the contents of the agendas of all committee meetings and presenting them to the committee chairman for approval.
 - Preparing the 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 absence of the committee reporter, the committee chairman shall appoint another member to carry out the duties of the reporter.

5. Quorum

1. Only the members of the committee and the reporter of the committee are entitled to attend the meetings of the committee. However, any of the bank's management members or their representatives or specialists may be invited to attend the meetings, based on the committee's request.
2. The quorum of the committee meetings shall be completed by the attendance of at least two members of the committee, and in the event that the quorum is not reached, a new meeting shall be held.
3. The meeting of the Committee - in which the quorum is reached - is considered sufficient to exercise all or any powers granted to the Committee and to take any decisions based on those powers in accordance with the mandate of the Board of Directors.
4. The decisions of the committee shall be adopted by the majority of votes of the members present, and if the vote is tied, the vote of the committee chairman shall be casting weight.

6. Meetings

a- The periodicity of the meetings

1. The committee holds at least (2) meetings per year, or at the request of the committee chairman, 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 interests

- 1- In the event of any conflict of interest, the concerned member shall not participate in the committee's discussions, nor in taking any decision related to the concerned matter.
- 2- Preparing policies and procedures to address the conflict of interest that may arise when the bank is part of a banking group, and disclosing in writing any conflict of interest that may arise from the bank's association with the companies within the group, and then presenting it to the Board of Directors for approval.
- 3- Preparing policies and procedures for dealing with related persons, which include the definition of these parties, taking into account the legislation, policies, procedures, and their monitoring mechanism, so that it is not allowed to bypass them and present them to the Board of Directors for approval.

c- Minutes of meetings

1. The committee reporter records the events and decisions issued in all committee meetings, including recording the names of the attendees.
2. Minutes of meetings shall be signed by the Chairman of the Committee, and shall be made available prior to the next meeting to be approved by the members of the Committee.
3. Minutes of meetings shall be passed to all members of the Committee immediately, and to all members of the Board of Directors after approval.
4. The committee chairman presents the minutes of its meetings and recommendations to the Board of Directors for a vote.
5. The Committee shall keep written minutes of its meetings, in addition to a schedule of the Committee's decisions, which shall be submitted with the minutes of the meeting to the Board of Directors.

7. Duties of the Committee

The Board of Directors delegates the Committee to assume the following duties and responsibilities:

1. Prepare a governance guide for the bank approved by the Board of Directors and follow up on its implementation, and ensure that it is published on the bank's website and viewed by all employees and members of the Board of Directors, and that the governance framework approved and applied by the bank is consistent with the applicable laws, regulations, instructions and applicable global practices.
2. The committee monitors the application of the standards and control systems set forth in the Corporate Governance Manual.
3. The committee reviews and discusses the observations of internal control and the independent external auditor related to the governance guide and framework. The committee submits its recommendations to the relevant parties to take action for any identified gaps.
4. Reviewing the bank's governance system in accordance with the applicable laws and regulations, standards and practices. And submit a report to the Board of Directors on the results of the audit annually.
5. Recommend the development and improvement of corporate governance practices in line with applicable international best practices.
6. Reviewing the Bank's annual disclosures on governance practices, in accordance with applicable laws and regulations.
7. Providing advice and consultation to the various committees and members of the Board of Directors regarding the disclosure of cases of conflict of interest.
8. Supervising the extent to which various committees adhere to governance policies.
9. The possibility of cooperation with advisory bodies to obtain advice and assistance in developing new requirements in the Governance Manual, as well as technical support consultations, with the knowledge and approval of the Board.

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 procedures of the bank's governance system.
- Ensure compliance with regulatory requirements.
- Stay abreast of the latest developments in governance practices and standards, whether at the local or international level.
- 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.