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Table of Content

Contents

Section One - Definitions	3
Section Two- Introduction and Policy Objectives.....	3
Section Three - Provisions Related to Board Members	4
Section Four - Provisions Related to Senior Executive Management.....	5
Section Five - Provisions Related to Bank Employees	6
Section Six - The Responsibilities and Authorities of the Board of Directors and Executive Management Regarding the Conflict of Interest Policy	8
Section Seven - A Guide of Instructions for Cases Arising from Conflicts of Interest.....	9
Section Eight - General Provisions	10

Section One

Definitions

The terms and phrases in the following - as stated in this policy - carry the meanings explained next to them unless explicitly indicated otherwise in the text:

Board: The Board of Directors of the Bank

Related Person (Relation): A person is regarded related (related) with the bank:

1. If either the person or the bank has a significant interest in the other, directly, or indirectly (and the bank's subsidiary is considered a related party), or
2. If the person holds a managerial position in the bank or has a common business interest with a manager in the bank, or
3. If the person is the spouse of a manager in the bank or is closely related to that manager or their spouse up to the third degree or has a common business interest with any of them

Stakeholders: Any individual or entity with an interest in the bank, including shareholders, creditors, suppliers, customers, employees, and relevant regulatory authorities

Conflict of Interest: is the situation in which the objectivity and independence of an administrative decision are affected by a personal, material, or moral interest that concerns the administrator personally or a relative. It also occurs when their performance is influenced by personal or indirect considerations or by their knowledge of information related to the decision.

Administrator: A member of the Board of Directors, whether in their personal capacity, as a representative of a legal entity, the bank's general manager, or any employee in the bank

Employee: Any male or female person employed or appointed in one of the positions listed in the bank's organizational structure under an employment contract for a limited or unlimited period

Degrees of kinship:

First degree relatives: father, mother, son, daughter, husband, wife

Third degree relatives: uncle (from both parents), aunt (from both parents), nephew or niece

Fourth degree relatives: Cousin(s)

Senior Executive Management: Includes the General Manager of the bank or the Regional Manager, the Deputy General Manager or Deputy Regional Manager, the Assistant General Manager or Assistant Regional Manager, the Financial Manager, Operations Manager, Risk Management Manager, Internal Audit Manager, Treasury Manager, Compliance Manager, in addition to any employee in the bank with executive authority parallel to any of those mentioned, and functionally reporting directly to the General Manager

Section Two

Introduction and Policy Objectives

The Bank's Board of Directors adopts a policy and procedures aimed at regulating and avoiding conflicts of interest through the adoption of rules, controls, and control tools to achieve greater transparency in the decision-making process.

Section Three

Provisions Related to the Board Members

1. Any member of the Board of Directors is prohibited from making a decision that is influenced by personal, material, or moral interests that concern them personally or any relative up to the third degree, or when their performance is affected by personal or indirect considerations or by their knowledge of information related to the decision.
2. Avoid accepting gifts or guarantees from the bank, as well as from relatives up to the third degree.
3. The appointment of the bank's representatives in banks and companies in which it invests is made by the bank's Board of Directors. The appointment is for a one renewable term, and the bank's Board of Directors may change its representatives before the term expires.
4. The Board of Directors adopts policies to ensure that all transactions with related parties are conducted on equal terms.
5. The Board should establish controls for the passing of information between departments to avoid misuse for personal gain.
6. The Board shall ensure that the executive management maintains high integrity in its practices and avoids conflicts of interest.
7. The President or members of the Board of Directors, or others working for them, should not have any direct or indirect interest in any contracts, agreements, projects, or commitments undertaken by the bank.
8. The Board of Directors should not participate in any business that competes with the bank, nor should a director or board member be a director or board member of a company that competes with the bank or engages in the same activities as the bank.
9. An interested member may not participate in voting on a decision related to this matter in the Board of Directors.
10. A member of the Board of Directors must declare to the Board any personal interest in the bank's operations and contracts, and this disclosure must be documented in meeting minutes.
11. A member of the Board of Directors represents all shareholders and is committed to acting in the best interests of the bank.
12. A member of the Board of Directors or any person affiliated to the Board of Directors must report stock trading to the appropriate authorities within a week of the trading date.
13. A member of the Board of Directors must refrain from misusing the bank's assets, facilities, and properties.
14. A member of the Board of Directors must notify the bank in the following cases:
 1. When appointed as a member of the Board of Directors, and when possessing or having an interest in rights of shares or debt instruments related to the bank in his name or on behalf of a party related to him, or as a trustee or agent for him.
 2. When becoming an owner or having an interest in any shares or convertible debt instruments of the bank.
 3. When there is a change in ownership or ownership in the name of a related party, or as a trustee or agent for him, by a percentage of 1% or more of the shares or convertible debt instruments he owns in the bank.
 4. When there is a change in the disclosed ownership purpose.

15. Each member of the Board of Directors works to avoid conflicts of interest and the appearance of conflicting interests.
16. When granting credit to any member of the bank's Board of Directors or to any member of the Board of Directors of any bank subsidiary and their related parties:
 - a. Obtaining prior approval from the bank's Board of Directors for that credit.
 - b. The Board member seeking credit should not participate in any meeting where the subject of granting him the credit is discussed.
 - c. Credit to a member of the bank's Board of Directors or a member of the Board of Directors of any bank subsidiary should not be treated on terms better than those granted to a person not related to the bank.
 - d. Credit to any related party with the bank should not be treated on terms better than those granted to a person not related to the bank.

Section Four

Provisions Related to Senior Executive Management

1. The bank's senior executive management must refrain from engaging in any transactions with the bank without the approval of the Board of Directors.
2. The bank's senior executive management must refrain from participating in any activities that compete with the bank's business and activities without the approval of the Board of Directors. All private business operations must be in conformity with legislation and must not conflict with their functional tasks and bank commitments.
3. The bank's senior executive management must avoid using their position in the bank for personal gain, benefit, or interest.
4. The bank's senior executives shall refrain from sharing non-public or sensitive information or from using such information to further personal interests.
5. The bank's senior executive management and any related parties must agree to abstain from trading in the bank's stocks during trade blackout times as established by the appropriate authorities.
6. The bank's senior management must agree to refrain from misusing the bank's assets, facilities, and properties.
7. The bank's senior executive management must notify the bank in the following situations:
 - a. When they are appointed and hold or have an interest in the bank's stocks or debt instruments.
 - b. When they acquire or have an interest in the bank's stock options or convertible debt instruments.
 - c. In case of any change in their ownership or interest by 1% or more in the stocks or convertible debt instruments they own in the bank.
8. In all cases, the bank must comply with all requirements of the central bank, including statements and disclosures issued by either the central bank or the senior executive management.

Section Five

Provisions Related to Bank Employees

Bank employees commit to the following:

1. Not to participate in or engage in activities that may compete with the bank in its operations and activities without the approval of the Board of Directors.
2. Not to misuse the assets, facilities, and properties of the bank.
3. Not to engage in any transactions with the bank without the approval of the Board of Directors.
4. Not to misuse information specific to the bank for personal purposes and not to disclose confidential and non-public information they become aware of during their employment to third parties, even after leaving their job at the bank.
5. Not to accept gifts, fees, bribes, or services in return for performing their duties or any work related to the bank's activities, except for simple tangible gifts presented to them within the usual course of business or those used for promotional and public relations purposes.
6. Not to accept any gift, excluding promotional materials with the company logo, which should be delivered to the Human Resources Department for proper registration according to the established procedures.
7. All bank employees must notify their superiors and the Human Resources Department in writing about any positions they hold outside the bank or any interest that connects them, or their family members, with companies, commercial institutions, or any entity dealing with the bank or seeking to deal with it.
8. All bank employees must disclose their relevant private business activities.
9. Employees and their family members up to the third degree should avoid any situations where their personal interests' conflict regarding their dealings with contractors, suppliers, traders, or any individuals, companies, or other entities dealing with or seeking to deal with the bank or any of its competitors in business.
10. Employees are not allowed to have any direct or indirect financial interests with the entities the bank deals with or its subsidiaries.
11. Employees are not allowed to work for any entity or company related to the National Bank of Iraq, either during or outside official working hours, without obtaining prior written approval from the General Manager through the Human Resources Department.
12. Employees are not allowed to engage in any external activity that directly or indirectly conflicts with the values and principles of the National Bank of Iraq or its subsidiaries or with the responsibilities and duties of their work.
13. Employees are not allowed to work in another job outside official working hours, whether paid or unpaid, except after meeting the applicable conditions according to the laws, regulations, and legislation applied in the bank or its subsidiaries. It must be declared, and necessary approvals obtained from the General Manager through the Human Resources Department. In case of approval, it should be outside official working hours, not create any hindrance or disruption to their official duties in any way, and not involve any overtime work with any entity or company related to the bank or its subsidiaries, except when the work is for the care of their private properties or those in which they are a partner in ownership.
14. The employee must refrain from obtaining discounts or personal benefits not available to the general public or to employees of the National Bank of Iraq and its subsidiaries in similar positions, whether from suppliers, customers, or any other entities dealing with the bank or its subsidiaries.
15. The formation of factions within the framework of work is prohibited, regardless of their nature, as they may hinder or affect the operations of the National Bank of Iraq or its subsidiaries.
16. If an individual, who is knowledgeable about the bank or its subsidiaries, wishes to purchase shares belonging to the bank or its subsidiaries, they must declare this to the relevant authorities, including the bank's management/subsidiaries, the Securities Commission, and the Human Resources Department.

17. If an employee owns shares in companies related to the bank or its subsidiaries, approval must be obtained from the General Manager through the Human Resources Department.
18. Employees are prohibited from negotiating or contracting on behalf of the bank or its subsidiaries with any client of the employee or any of their relatives in personal transactions.
19. The employee is prohibited from accepting agency in any matter related to their job duties or handling accounts or banking transactions for any other customer at the bank or its subsidiaries, except for the spouse and first-degree relatives, after obtaining approval from senior management.
20. Employees are prohibited from borrowing from customers in their own name or in the name of any of their family members or acquaintances.
21. Employees are prohibited from reviewing any credit transaction in which the employee or any of their friends or family members up to the fourth degree is involved.
22. The employee must report any violation or breach of the conflict of interest principle to their immediate supervisor, the Director of Human Resources, and the Internal Audit Manager, as appropriate, for appropriate action.
23. The employee is prohibited from transferring or disclosing private information that they become aware of through their work and position to other bank employees/subsidiaries unless it is required for the work they are performing.
24. The employee is prohibited from engaging in paid work related to scientific, consulting, charitable, or non-profit matters without written approval from the General Manager.
25. If the employee is summoned to testify in court in any legal proceedings, whether the bank is a party to it or not, they must inform their manager/supervisor, who will decide whether it is necessary to inform the Legal Affairs Department.
26. If any judicial, official, or arbitration body elects any bank employees or lawyers as technical or legal experts, the selected expert must inform their manager/supervisor of this.
27. Employees are prohibited from borrowing from banks or specialized lending institutions without the approval of the General Manager.
28. If an employee experiences financial distress, they must report it to their immediate supervisor and adhere to their instructions. In such cases, the supervisor must immediately inform the General Manager and the Human Resources Department.
29. Employees must adhere to the instructions regarding the guarantee of others and not violate them for any reason.

Section Six

The Responsibilities and Authorities of the Board of Directors and Executive Management Regarding the Conflict of Interest Policy

1. The management of conflicts of interest is one of the main responsibilities of the Board of Directors.
2. The oversight departments in the bank are responsible for ensuring that all related-party transactions are carried out in accordance with the approved policies and procedures.
3. Each department/employee, within their scope of work and in accordance with policies and procedures, must report to the Internal Audit Department any indicators of conflicts of interest outside the policy.
4. The Internal Audit Management Committee is responsible for reviewing matters involving conflicts of interest and presenting them to the Audit Committee.
5. The Board of Directors reviews matters that may involve conflicts of interest based on the recommendation of the Audit Committee.

6. When the Board of Directors determines that a conflict of interest exists, the conflicted party is required to rectify their situation and follow all measures decided by the Board of Directors, adhering to the prescribed procedures.
7. The Board of Directors has the authority to impose penalties on violators of this regulation and to file criminal and civil cases to claim damages resulting from non-compliance by all related parties.
8. The Board of Directors approves this policy, communicates it to all bank employees, and publishes it on the procedures website.
9. The Board of Directors ensures the implementation of this policy, operates in accordance with it, and makes necessary amendments.
10. The Nomination and Compensation Committee is responsible for annually verifying the independence of independent members of the Board of Directors.
11. The Secretary should ensure that each member signs annual declarations stating that they have not received any benefits through their work at the bank and have not disclosed such benefits, whether they are material or non-material, whether for themselves or for any related parties.

Section Seven

A Guide of Instructions for Cases Arising from Conflicts of Interest

This policy includes examples of behavioral requirements for a variety of circumstances, although it cannot cover all conceivable scenarios. Individuals who have a relationship (affiliation) with the bank are responsible for operating independently in line with this policy, avoiding any activity that appears to contradict it. Conflicting circumstances include the following:

- Conflict of interest may arise, for example, when a board member or a member of any of its committees participates in or has a relationship with any activity that has personal, organizational, or professional interests in any work or activity that may directly or indirectly affect the objectivity of the decisions of that member or employee or their ability to perform their duties and responsibilities towards the bank.
- Conflict of interest may also arise if a board member or an executive manager receives or benefits personally from any other party, either directly or indirectly, benefiting from their position and involvement in managing the bank's affairs.
- Conflict of interest may occur through material benefit by entering contracts for sale, purchase, or leasing with the bank.
- Conflict of interest may arise by using the position to appoint children or relatives in positions, or to achieve personal benefits or privileges for oneself or any member of their family, relatives, or acquaintances, or to engage in any partisan, political, or facilitating activities.
- Using confidential information provided by the job for personal benefit or for the benefit of another party.
- Gifts and gratuities received by the employee.
- Investment or ownership in a business or institution providing services or receiving services related to the bank.
- Acceptance of bribes, commissions, or any other suspicious amounts for services related to the bank.
- Use or exploitation of the employee's job authority or influence in the bank for personal gain or for the benefit of others.
- Disclosure of secrets or providing information considered private to the bank even after leaving the service.
- Acceptance of gifts by any relative with the aim of influencing the employee's actions in the bank.
- Repair or establishment of properties for the employee or any family member at the expense of any party dealing with the bank or seeking to deal with it.
- Any party dealing with or seeking to deal with the bank paying invoices required from the employee or any of his family members.

Section Eight

General Provisions

1. This policy is subject to periodic review and will be updated as needed.
2. This policy is considered an integral part of the Bank's Code of Professional Conduct and the Related Parties Policy.
3. This policy has been issued based on the application of the Corporate Governance Guide.
4. Each individual is solely responsible for any violation or non-compliance with the requirements of this policy and the resulting procedures.
5. External auditors must be independent and have no conflicts of interest, as required by regulations and professional standards. In case of such a conflict, it must be disclosed and addressed in accordance with the governing regulations to safeguard the bank's interests.
6. Any related party is not allowed to use their allegiance to the bank or their desire for profit as an excuse to violate the bank's policies and applicable regulations.