



# SUCCESSION POLICY AT THE EXECUTIVE MANAGEMENT LEVEL

Approved by: Raya Board of Directors

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**Introduction:**

Change in the key elements within the executive management is inevitable for all organizations and can be a great challenge in terms of the timing. Therefore, the policy of Raya was developed to be always ready for any change in the key elements within the executive management whether for planned or unplanned reasons to achieve the stability of executive management and sustainability of Raya businesses either on the short or long-term.

The Corporate Governance Committee shall be responsible for the monitoring of the Department of Human Resources through the compliance of policies and procedures in relation to the succession plan of senior management posts. This shall be done in a manner that may help the Board of Directors to assess the needs of the key elements within the executive management and help ensure the selection of qualified personnel who are capable to represent Raya and achieve the vision, mission and goals of the Company, supported by the administrative and technical skills and competencies thereof to ensure the continuity of Raya businesses and non-disruption, as well as fulfilling all the Company's obligations towards all stakeholders professionally.

**Policy Objective:**

This policy aims at developing procedures and evaluating the selection, appointment and promotion processes in the context of securing the best-qualified persons at Raya to be placed in the right positions. At the same time, it aims at encouraging professional development and advancement of existing staff as well as developing plans for the succession on the executive management level in emergency conditions or at the short-term and long-term with a focus on planning for the succession for key persons through Raya's human resource procedures manual, while preparing a list of candidates for key positions periodically and effectively to bring added value to the Company.

**Scope of Policy:**

This policy requires the evaluation of the succession plans on annual basis to strengthen the administrative depth of Raya as per procedures and methodologies to find out individuals, inside/outside Raya, who have the qualifications and skills needed for working as key incumbents at Raya. This shall be done within the scope of Raya's operational risk management in order to support the governance rules of Raya by striking a balance between all stakeholders, the sustainability of Company business and ensuring its organizational system.

Human Resources must work to develop measures of a permanent planning for the succession at the executive management level in emergency conditions or at short and long term planning with a focus on the succession for the key elements through Raya's human resource procedures manual taking into account the following points:

1. To develop systems and procedures for the nomination, selection, appointment, promotion and evaluation of staff, particularly key persons, to support succession plans at Raya and to prepare a list of candidates from the Company as well as beyond.
2. To determine the qualifications and skills of the candidate in Raya's succession plans.
3. To define training needs of candidates in the course of succession-to-power plans on the short and long term in Raya's training plan.
4. To activate the role of the candidate in Raya's succession plans through involving the candidate in the representation of Raya through initiatives, conferences, seminars and meetings and participation in internal committees related to the implementation of Raya's such plans.
5. To develop plans for succession at Raya in emergency situations.
6. To establish end of service systems and procedures especially for the key persons to allow the analysis of causes and solutions to be used as a system of feedback data on the efficiency of the Company's human resources system.
7. To develop systems and procedures for trainees within Raya to guide qualified personnel to work for the Company, especially for the key elements to support Raya's succession plans.

These are the minimum procedures that should be pursued in the succession system at the level of the executive management of Raya.

**Policy Principles:**

1. Sustainability

The succession system at the level of the executive management is mainly designed to support the sustainability of the business at Raya and to provide successive rows of personnel (inside / outside Raya) as a management of operation risk with respect to the end of service of members of the executive management, particularly key persons, to ensure sustainable growth of the Company

2. Fairness

This policy is designed to ensure justice with regard to the occupation of posts within Raya, particularly key persons, whether among candidates from inside/outside the Company through standing procedures and systems of Raya's job occupation manual and the administrative and technical development of skills and abilities of the existing staff to support their competitiveness in promotion and occupation of key positions.

### 3. Effectiveness and Competence

This policy supports the succession at the executive management in terms of effectiveness and competence of Raya business through the selection of the best qualified and capable persons to occupy such positions, particularly key persons, by individuals from inside / outside the Company and to ensure effective and efficient training plans to suit the needs of the staffing structure of the Company on the long and short term in order to support the return and cost economic indicators.

### 4. Transparency

This policy is transparency-based before all stakeholders with regard to succession at the executive management level in particular with regard to key persons of the Company.

### 5. Objectivity

The principles of the succession at the executive management at Raya are based on objectivity through the unified approach of handling and methodology to support the vision, mission, goals and organizational structure of Raya using the professional proper technique defined in the human resource manual of Raya according to the rules of the Egyptian law and by-laws.

**Based on the foregoing, the policy of the succession at the executive management level at Raya shall ensure the enforcement of the principles above-mentioned to achieve the sustainable growth for the Company.**

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