



2019

Nomination Committee Charter

NOMINATION COMMITTEE CHARTER | REVIEWED ON FEBRUARY 2019

APPROVED BY: BOARD OF DIRECTORS


RAYA HOLDING FOR FINANCIAL INVESTMENTS S.A.E.



Contents

NOMINATION COMMITTEE CHARTER	2
1. MISSION	2
2. AUTHORITY	2
3. MEMBERSHIP	3
4. COMMITTEE CHAIRMAN	3
5. SECRETARY	3
6. QUORUM	3
7. FREQUENCY OF MEETINGS	4
8. NOTICE OF MEETINGS	4
9. MINUTES OF MEETINGS	4
10. DECISIONS	5
11. RESPONSIBILITIES	5
12. REPORTING RESPONSIBILITIES	8
13. OTHER MATTERS	8
APPROVAL	8

Nomination Committee Charter

Nomination Committee Charter	Issue No. 02	
	Issue Date February 7 th , 2019	

Glossary

Independent Board Member

Various regulators have defined "Independent Board Member" as a person who is free from material relations with the company's management and can exercise his judgment without any conflicts of interest to the exclusive interest of the company.

1. Mission

- 1.1 The Nomination Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Raya Holding for Financial Investments ("Raya" or "the Company") to assist the Board in discharging its oversight duties relating to the following:
 - 1.1.1 Identifying individuals qualified to become Board members, and recommending - to the Board - the executive management (Directors and Senior Managers) nominees;
 - 1.1.2 Leading the Board in its annual review of the Board's performance and recommending candidates for appointment to the Board for each committee;
 - 1.1.3 Evaluating the skills and expertise of executive management and recommending training accordingly as part of their succession plans; and
 - 1.1.4 Devising, with the CEO, the succession plan for the Board and executive management.

2. Authority

- 2.1 The Board authorizes the Committee within the scope of its responsibilities to:
 - 2.1.1 Perform activities within the scope of its charter;
 - 2.1.2 Seek any information it requires from any employee of Raya in order to perform its duties; and
 - 2.1.3 Engage independent counsel, internal or external legal counsel, accounting firms, or other advisors, provided such engagements are justifiable, with the sole

authority to retain, terminate and negotiate the terms and conditions of the assignment at Raya's expense.

3. Membership

- 3.1 The Committee shall be comprised of at least three members, the majority being independent non-executive Directors.
- 3.2 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods provided that the majority of the Committee members remain independent and conditional upon the Board's approval.

4. Committee Chairman

- 4.1 The Chairman of the Committee should be an independent non-executive Director and should be appointed by the Board of Directors.
- 4.2 The Chairman shall serve for a term of three years.
- 4.3 The Chairman should not chair the Nomination Committee when it is dealing with the appointment of a successor to the Chairmanship of the Committee.
- 4.4 In the absence of the Committee Chairman, the remaining members present shall elect one of them to chair the meeting.
- 4.5 The Chairman of the Committee shall attend the Annual General Assembly to respond to any shareholder questions on the Committee's activities.

5. Secretary

- 5.1 The Board Secretary or his/her nominee shall act as the Secretary of the Committee.
- 5.2 In the absence of the Board Secretary, the Chairman shall appoint another competent management staff member to be the Secretary.

6. Quorum

- 6.1 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, Head of Human Resources, and external advisors may be invited to attend all or part of any meeting, as and when appropriate.
- 6.2 The quorum for a meeting shall be met when two members are present.

- 6.3 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions vested in or exercisable by the Committee as specifically delegated by the Board.
- 6.4 The Chairman is responsible for maintaining the quorum of the Committee's meetings.

7. Frequency of Meetings

- 7.1 The Committee shall meet at least three times every year and as deemed necessary by the Chairman of the Committee.
- 7.2 Members may request additional committee meetings by submitting such request in writing fourteen days in advance.
- 7.3 Meetings of the Committee will preferably be held prior to meetings of the full Board.

8. Notice of Meetings

- 8.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.
- 8.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other executive management, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

9. Minutes of Meetings

- 9.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including a record of the names of those present and in attendance as well as of absentees.
- 9.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 9.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once reviewed, to all members of the Board of Directors.
- 9.4 Where decisions are made through circulation, details will be included in the minutes of the Committee meeting.

10. Decisions

- 10.1 All decisions of the Committee shall be by an affirmative vote of the majority of the members present.
- 10.2 In the case of equality of votes, the Chairman of the Committee shall not have a casting vote. A deadlock that cannot be resolved by the mutual agreement of the Committee members within fifteen days shall be referred to the Board of Directors for resolution.
- 10.3 Decisions of the Committee may be made through circulation. In all such cases:
 - 10.3.1 The Secretary of the Committee shall ensure and confirm circulation of necessary information and documentation.
 - 10.3.2 A decision through circulation will not be valid unless approved by all the responding members collectively. In case of disagreement, even by a single member, a meeting of the Committee shall be called by the Secretary.

11. Responsibilities

11.1 Nomination, Appointment and Board Composition

11.1.1 The Committee shall perform the following duties:

- 11.1.1.1 Recommend nominations of the independent Directors for the different Committees to the Board.
- 11.1.1.2 Identify, evaluate, and select candidates for the Board of Directors¹. The Nomination Committee will seek members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. They should have had experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated and be selected based upon the contributions they can make to the Board. The factors to be considered by the Board in its review of potential candidates include but not limited to, whether the candidate has or will:
 - 11.1.1.2.1 Experience and knowledge of local business practices and industry awareness;
 - 11.1.1.2.2 A successful career and a reputable image that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make;

- 11.1.1.2.3 Exhibited behavior that indicates he or she is committed to the highest ethical standards and the values adhered to by the Company;
- 11.1.1.2.4 Special skills, expertise and background that add to and complement the range of skills, expertise and background of the existing board directors;
- 11.1.1.2.5 Effectively, consistently and appropriately take into account and balance the legitimate interests and concerns of all of the Company's shareholders and other stakeholders in reaching decisions;
- 11.1.1.2.6 Strategic advisory experience; and
- 11.1.1.2.7 Devote sufficient time and energy to the performance of his or her duties as a non-executive director.
- 11.1.1.3 Ensure that no person who has been previously convicted of any offense affecting honor or honesty is nominated for such membership;
- 11.1.1.4 Ensure a formal and transparent Board nomination process is in place;
- 11.1.1.5 Conduct an annual review of the requirement of suitable skills for membership of the Board and prepare a description of the required capabilities and qualifications for such membership including, inter alia, the time that a Board member should reserve for the activities of the Board;
- 11.1.1.6 In identifying suitable candidates, the Committee shall consider candidates on merit and against objective criteria, given that appointees have enough time to devote to the position. The Committee shall also consider candidates from a wide range of backgrounds;
- 11.1.1.7 Be responsible for identifying and nominating candidates to fill Board vacancies as and when they arise. Such nominations shall be approved by the Board;
- 11.1.1.8 Review the composition of the Board of Directors and recommend changes;
- 11.1.1.9 Determine the points of strengths and weaknesses in the Board of Directors and recommend remedies that are compatible with the Company's interests;

¹ Generally, CEOs are not involved in the Board nomination process. The role of the Nomination Committee is to identify and assess appropriate candidates for board membership in accordance with agreed rules and regulations. Once the committee has approved nominations, it is up to the shareholders to elect or reject candidates.

- 11.1.1.10 Ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings; and
- 11.1.1.11 Ensure, on an annual basis, the independence of the independent members and the absence of any conflict of interest in case a Board member also acts as a member of the Board of Directors of another company.

11.2 Succession Planning and Evaluation

11.2.1 The Committee shall perform the following duties:

- 11.2.1.1 Give full consideration to succession planning for executive management;
- 11.2.1.2 In the course of its work, take into account the challenges and opportunities facing the Company and identify the skills and expertise needed on the Board in the future;
- 11.2.1.3 Recommend to the Board the number, identity, and responsibilities of Board committees, respective Chairmen, and members of each committee. This shall include advising the Board on committee appointments, removal from committees or from the Board, rotation of committee members and Chairs, and committee structure and operations; and
- 11.2.1.4 Ensure effective policies and processes are in place for ensuring that senior management has the necessary integrity, technical and managerial competence, and experience. A list should be prepared to specify the names and designations of key personnel of the Company, and the people seconding them.

11.3 Performance Review and Assessment

11.3.1 The Committee shall perform the following duties:

- 11.3.1.1 Ensure effective policies and processes are in place to review the leadership needs of the Company, both executive and non-executive, with the aim of ensuring the continued ability of the Company to compete effectively in the marketplace;
- 11.3.1.2 Periodically review the time required from non-executive Directors. Performance evaluation should be used to assess whether the non-executive Directors are spending enough time to fulfill their duties;
- 11.3.1.3 Report annually to the Board of Directors with an assessment of the Board/Committee's performance;

- 11.3.1.4 Ensure effective policies and processes are in place for effective monitoring and making annual formal evaluations of senior management’s performance with regard to implementing agreed upon strategy and business plans; and
- 11.3.1.5 Monitor the orientation and continuing education programs for Directors and accordingly, recommend to the Board relevant training courses for Directors.

12. Reporting Responsibilities

- 12.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 12.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its ambit where action or improvement is needed.
- 12.3 The Committee shall make a statement in the annual report about its activities; disclose its charter, the process used for appointments and explain if external advice or open advertising has not been used, details of Raya’s succession plan for the Board and senior management, the membership of the Committee, number of Committee meetings and attendance over the course of the year.

13. Other Matters

- 13.1 The Committee shall:
 - 13.1.1 Be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members;
 - 13.1.2 Give due consideration to laws and regulations; and
 - 13.1.3 At least once a year, review its own performance and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Approval

Version	Prepared by	Reviewed by	Approved by	Review Date
2.1	Ahmed N. Hassan	Medhat Khalil, Chairman & CEO	Board of Directors	Feb 2019

