



2019

Related Party Transactions Policy

RELATED PARTY TRANSACTIONS POLICY | REVIEWED ON FEBRUARY 2019

APPROVED BY: AUDIT COMMITTEE


RAYA HOLDING FOR FINANCIAL INVESTMENTS S.A.E.



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Related Party Transactions Policy

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1. Objective of the Policy

The Audit Committee ("Audit Committee") of the Board of Directors (the "Board") of Raya Holding for Financial Investments (the "Company") recognizes that related party transactions present a heightened risk of conflicts of interest and/or improper valuation (or the perception or appearance thereof) and therefore has adopted this Related Party Transaction Policy (this "Policy") to be followed in connection with all related party transactions involving the Company. The Audit Committee recognizes that transactions between related parties and the Company or its subsidiaries may occur in the ordinary course of business. This Policy is not designed to prohibit such related party transactions; rather, its intent is to encourage timely internal disclosure of such transactions and appropriate review and reporting of them.

This Policy supplements the Code of Business Conduct and Ethics' provisions concerning potential conflict of interest situations. With respect to persons and transactions described in this Policy, the procedures for reporting, review, oversight and public disclosure of this Policy shall apply. With respect to all other potential conflict of interest situations, the provisions of the Code of Business Conduct and Ethics shall continue to apply.

2. Persons Covered

Board For purposes hereof, a "Related Party" is:

- Each director and executive officer of the Company, and any person who was serving as a director and/or executive officer at any time since the beginning of the Company's last fiscal year;
- Any nominee for election as a director of the Company;
- any security holder who, at the time of the occurrence of the transaction, owned beneficially or of record more than 5% of any class of the Company's voting securities; and
- Any immediate family member of any of the foregoing persons. An "immediate family member" includes the spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and any person (other

than a tenant or employee) sharing the household of a director, executive officer, director nominee or greater than 5% security holder of the Company.

3. Related Party Transactions

For purposes of this Policy, a "related party transaction" is any transaction or series of transactions in which the Company participates and a Related Party has a direct or indirect material interest. Examples of related party transactions include sales, purchases, and transfers of real or personal property, use of property and equipment by lease or otherwise, services received or furnished (including but not limited to employment) and borrowings and lending, including guarantees. Examples of a transaction in which a Related Party would have a direct or indirect material interest include transactions between the Company and any entity that is owned or controlled by a Related Party, or an entity in which a Related Party has a substantial ownership interest or control.

4. Transactions to Be Reported to the Audit Committee

Every director, executive officer and nominee for election as a director has an affirmative obligation to fully disclose to the Audit Committee all material facts concerning a prospective transaction or arrangement involving the Company in which he or she or an immediate family member may have an interest. Any other officer or employee of the Company who intends to cause the Company to enter into any transaction with a Related Party shall disclose that intention and all material facts with respect to the transaction to his or her superior, who shall be responsible for ensuring that such information is reported to the Audit Committee. Such transactions or proposed transactions must be reported regardless of the amount or value of the transaction, but the Audit Committee need not act on any related party transaction or series of transactions in which the amount involved does not equal or exceed EGP50,000 or an equivalent fair value.

Review:

The Board has determined that the Audit Committee is best suited to review and approve or disapprove related party transactions. The Audit Committee will review all related party transactions and approve or disapprove such transactions in which the amount involved exceeds EGP 50,000; in advance of such transaction being given effect. If a member of the Audit Committee is involved in the transaction, that member shall not participate in determining whether the related party transaction shall be approved or ratified by the Audit Committee; however, such person may be counted in determining the presence of a quorum at a meeting of the Audit Committee acting on the transaction.

The Audit Committee shall have the authority to approve in advance categories of related party transactions that (unless the Audit Committee determines otherwise in a particular instance) need not be individually reported to, reviewed by, and/or approved or ratified by the Audit Committee but may instead be reported to and reviewed by the Audit Committee collectively on a periodic basis, which shall be at least annually.

In the event the Company in error enters into a related party transaction that requires pre-approval by the Audit Committee, promptly upon discovery of such error such transaction shall be presented to the Audit Committee (or its delegate) for review and the Audit Committee shall consider, and make a recommendation to the Board whether rescission or any modification of the transaction is appropriate and whether any disciplinary action or changes in the Company's controls and procedures should be undertaken in connection with such error.

Annually, the Audit Committee shall review any previously approved or ratified related party transaction that is continuing and determine based on then-existing facts and circumstances, including the Company's existing contractual or other obligations. If it is in the best interests of the Company to continue, modify or terminate the transaction.

Standards:

In evaluating a related party transaction, the Audit Committee shall, in its judgment, consider the relevant facts and circumstances of the related party transaction and any of the following factors that are relevant:

- The position or relationship of the Related Party at or with the Company;
- The materiality of the transaction to the Related Party and the Company, including the dollar value of the transaction;
- The business purpose for and reasonableness of the transaction;
- Whether the related party transaction is comparable to a transaction that could be available on an arms-length basis;
- Whether the transaction is in the ordinary course of the Company's business and was proposed and considered in the ordinary course of business;
- The effect of the transaction on the Company's business and operations, including on the Company's internal control over financial reporting and system of disclosure controls or procedures;

- Whether the related party transaction would cause the Company to be in violation of the Egyptian Stock Exchange (EGX) listing standards (or the listing standards of any other exchange or market constituting the Company's primary trading market): and
- Any additional conditions or controls (including reporting or review requirements) that should be applied to such transaction.

Disclosure:

All related party transactions are to be disclosed to the extent and in the manner required by all applicable legal, regulatory and listing requirements including the Egyptian Financial Regulatory Authority (FRA) Listing Rules of 2014, and Egyptian Stock Exchange (EGX) Executive Regulations on such rules, as amended (the "Exchange Listing Rules") and the related rules and regulations promulgated thereunder.

5. Exceptions - Transactions that need-not-be reported to the Audit Committee

- Compensation arrangements approved by the Company's Compensation Committee.
- Reimbursement or advances of business travel and expenses incurred or to be incurred directly by a director or executive officer of the Company in connection with the performance of his or her duties and approved in accordance with the Company's expense reimbursement policy.

6. Policy Amendment

This Policy may be changed at any time by the Audit Committee in its discretion. This Policy is intended as a component of the flexible framework within which the Board, assisted by its committees, directs the affairs of the Company.

Approval

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