



2019

Remuneration Committee Charter

REMUNERATION COMMITTEE CHARTER | REVIEWED ON FEBRUARY 2019

APPROVED BY: BOARD OF DIRECTORS

RAYA HOLDING FOR FINACNIAL INVESTMENTS S.A.E.



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Remuneration Committee Charter

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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 general objectives of the Remuneration 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 Provide a formal and transparent procedure for developing a remuneration policy for the Board Chairman, Chief Executive Officer, Directors, and senior management (direct reports to the CEO);
 - 1.1.2 Ensure that the compensation offered is competitive, in line with the market/peer group, and consistent with the responsibilities assigned to employees; and
 - 1.1.3 Approve the remuneration policy and special compensation plans, including annual bonus schemes, share option plans, etc.; which attract, retain and motivate high caliber employees, and yet are not excessive to the extent that the shareholders' interest is compromised.

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 Members of the Committee shall be appointed by the Board based on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee.
- 3.2 The Committee shall be comprised of at least three members, all of whom are independent non-executive Directors.
- 3.3 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 of the Board shall not be the Chairman of the Committee.
- 4.3 In the absence of the Committee Chairman, the remaining members present shall elect one of them to chair the meeting.
- 4.4 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 Board Chairman, Chief Executive Officer, Directors, 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 twice a year and as deemed necessary by the Chairman of the Committee.
- 7.2 A sufficient interval shall be allowed between Committee meetings and main Board meetings to allow any work arising from the Committee meeting to be carried out and reported to the Board as appropriate.
- 7.3 In case of a disagreement between the Committee and the Board, adequate time shall be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreements cannot be resolved, the Committee shall have the right to report the issue to the shareholders as part of the report on its activities in the Annual Report.

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 topics to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other Directors, 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 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, unless a conflict of interest exists.

10. Responsibilities

10.1 The Committee shall be responsible for performing the following:

- 10.1.1 Determining and agreeing with the Board on the framework or broad policy for the remuneration of the Chief Executive Officer, Directors, and senior management (direct reports to the CEO);
- 10.1.2 In determining such policy, taking into account all factors that it deems necessary. The policy shall be to ensure that Directors and members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are - in a fair and responsible manner - rewarded for their individual contributions to the success of Raya;
- 10.1.3 Reviewing the remuneration and incentive packages of members of the Board and executive management (Directors and Senior Managers) to ensure that such packages are consistent with the corporate values and strategy of Raya;
- 10.1.4 Approving the design of, and determining targets for, any performance- related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- 10.1.5 On a periodic basis, reviewing the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determining each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other senior executives, and the performance targets to be used;
- 10.1.6 Determining the policy for and scope of pension arrangements for each executive Director and other senior executives;
- 10.1.7 Ensuring that contractual terms on termination and any payments made are fair to the individual and the Company, and that failure is not rewarded and duty to mitigate loss is fully recognized;
- 10.1.8 Within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive Officer as appropriate, determining the total individual remuneration package of each executive Director and other senior executives including bonuses, incentive payments and share options or other share awards;
- 10.1.9 In determining such packages and arrangements, giving due regard to any relevant legal requirements;
- 10.1.10 Reviewing and noting annually the remuneration trends across the Company;
- 10.1.11 Being exclusively responsible for establishing the selection criteria, selecting, appointing, and setting the terms of reference for any remuneration consultants who advise the Committee; and

10.1.12 Performing any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.

11. Reporting Responsibilities

- 11.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its scope, where action or improvement is needed.
- 11.3 The Committee shall produce an annual report of the Company's remuneration policy and practices, which will form part of Raya's Annual Report, and ensure each year that it is put to shareholders for approval at the General Assembly Meeting. The Committee's Annual Report shall include the following:
- 11.3.1 Summary of the role of the Committee;
 - 11.3.2 Names and qualifications of all members of the Committee during the period;
 - 11.3.3 Number of Committee meetings; and
 - 11.3.4 Report on the way the Committee has charged its responsibilities.

12. Other Matters

- 12.1 The Committee shall:
- 12.1.1 Review this Charter periodically for adequacy and recommend to the Board of Directors any necessary changes;
 - 12.1.2 Ensure that no Director or Manager is involved in any decisions as to their own remuneration; and
 - 12.1.3 At least once a year, review its own performance, constitution, 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