

4. Committees of the Board of Directors

a. Audit and Risk Committee (ARC)

Acknowledgment

Abdulaziz Abdulla Ismail Mohamed Al Hajri, the Chairman of the Audit and Risk Committee, acknowledges his responsibility for the ARC's role and mandate within the corporate governance structure of EMSTEEL Group and for the review of efficiency of the Committee's operations.

Members of the Audit and Risk Committee

The current Audit and Risk Committee was reformed on 28 October 2024. The Audit and Risk Committee currently comprises the following three (3) members who are all independent and non-executive Board members:

1. Abdulaziz Abdulla Ismail Mohamed Al Hajri – Chairman
2. Fatima Abdulla Mohamed Sharif Abdulla Al Fahim – Member
3. Nabeel Qadir – Member

Meetings of the Audit and Risk Committee

During 2024, the Audit and Risk Committee convened seven (7) meetings, as set out below:

Name	26 Jan 24	9 Feb 24	29 Feb 24	6 May 24	16 Jul 24	29 Jul 24	29 Oct 24	Attendance
Abdulaziz Abdulla Ismail Mohamed Al Hajri	●	●	●	●	●	●	●	7/7
Fatima Abdulla Mohamed Sharif Abdulla Al Fahim	●	●	●	●	●	●	●	7/7
Nabeel Qadir	●	●	●	●	●	●	●	7/7

Key responsibilities

The roles and responsibilities of the Audit and Risk Committee are defined in its Charter which is approved by the Board of Directors. The Charter defines the roles and responsibilities of the Audit and Risk Committee in terms of:

- Review of financial statements.
- Internal controls, governance and Risk Management Framework.
- Reports from external agencies including Government.
- Compliance, whistleblowing and fraud.
- Internal Audit.
- External auditor.
- Risk management.
- Self-evaluation of the Committee's performance on an annual basis.
- Reporting to the Board of Directors.

Annual Audit Committee report

Significant matters considered in relation to the financial statements

Key Audit Matters (KAMs) are those matters that, in the auditor's professional judgment, were of significant importance in the finalization of the financial statements. These matters were discussed in detail during the quarterly ARC meetings, involving both management and external auditors, ensuring that they were appropriately addressed. For further details, please refer to the Independent Auditors report in the Financial Statements for 2024.

Independence and effectiveness in approach for the appointment and reappointment of external auditors and tenure of the current audit firm

The appointment and reappointment of the external auditor is conducted in compliance with regulatory guidelines and best practices. The ARC evaluated proposals from audit firms based on their expertise, experience, industry knowledge, and compliance requirements. A recommendation was made to the Board of Directors and shareholders for final approval at the General Assembly meeting based on a techno-commercial assessment, considering independence aspects.

The ARC also monitors the length of tenure of the external auditor, to ensure compliance with mandatory auditor rotation requirements, and maintains transparency in the selection process. The Company's external audit services are currently provided by Ernst & Young, which has been engaged since 30 June 2024 and has been appointed for the year ending 31 December 2024.

Committee's recommendation regarding the appointment, reappointment, or dismissal of the external auditor

The Group Head of Internal Audit and Secretary of the ARC presented the results of the techno-commercial evaluation during the ARC meeting held on 9 February 2024. It was emphasized that the evaluation was conducted in accordance with the Statutory Auditors Appointment Rules issued by the Abu Dhabi Accountability Authority. Following this, the ARC endorsed the appointment of Ernst & Young as the Company's auditors for the year 2024. Based on the evaluation, Ernst & Young was shortlisted as a suitable candidate for the role and appointed with effect from 30 June 2024.

Independence of the external auditor when providing non-audit services to the Company

External auditors are required to confirm their independence annually through a formal declaration. Further, the ARC regularly reviews the nature and extent of non-audit services provided by the external auditor. For details on non-audit services provided by auditors, please refer to section 8 of this Annual Corporate Governance Report 2024.

Internal control and risk management

Internal Audit: The Annual Audit Plan for the Company has been developed based on the risk assessment conducted by the Internal Audit (IA) team and approved by the ARC. Significant findings from relevant reports are presented to the ARC on a quarterly basis to keep them informed and seek their guidance on enhancing control measures.

Compliance: The ARC actively oversees the organization's compliance framework to ensure adherence to regulatory requirements, internal policies, and industry best practices. Any compliance deficiencies identified through compliance audits, regulatory inspections, or monitoring mechanisms are promptly addressed through targeted action plans.

The key initiatives and achievements pertaining for year 2024 are:

- The Compliance Policy, Whistleblowing Policy, Conflict of Interest & Related Party Policy, Anti-Bribery & Corruption Policy, and the Fraud Control Policy have been reviewed and updated to ensure alignment with current regulatory requirements, industry best practices, and organizational objectives. This comprehensive review process included an assessment of existing controls, the identification of gaps, and the implementation of necessary enhancements to strengthen the overall ethics and compliance framework.
- The Ethics and Compliance Function has developed comprehensive Ethics and Compliance Awareness and an annual Training Plan for 2025.
- The Ethics and Compliance Function actively conducts trade sanctions screening on counterparties as an integral part of the vendor and customer onboarding process, ensuring compliance with regulatory requirements and mitigating risks.
- The Ethics and Compliance Function conducts investigations and reports on the findings of whistleblowing cases that are being reported through the dedicated whistleblowing channels, and which are being investigated and concluded as per the Group compliance policies and procedures, including Whistleblowing Policy, Investigation Manual, Compliance Policy, and Fraud Control Policy.

Risk Management: The ARC is proactive in identifying, assessing, and mitigating potential risks that could impact the organization's objectives. Regular risk reviews and scenario analysis exercises are conducted to ensure preparedness against emerging threats. The key Risk and Business Continuity Management activities for year ending on 31 December 2024 were:

- Review and roll out of the revised Risk Policy, new Crisis Management Procedure to ensure alignment of risk and Business Continuity activities with organizational objectives of the Group. This process included a detailed evaluation of existing risk management frameworks, identification of areas for improvement, and the implementation of necessary enhancements to reinforce risk mitigation and crisis response strategies.
- The Risk and Business Continuity Function has successfully completed its planned annual activities for 2024, including a comprehensive review of the Risk Registers, conduct of tabletop exercises to test Business Continuity Plans (BCPs), review of the Business Impact Analysis (BIA), and performing the Annual Call Tree Test to ensure effective communication during emergency situations.
- The successful implementation of the Archer platform for the Risk Management Function, ensuring that Risk and Business Continuity Function adopts a more structured and efficient approach to risk oversight. Additionally, the initial phases of transitioning Business Continuity Management (BCM) from the Orbit GRC platform to the Archer platform commenced during 2024, focusing on improving operational efficiency and ensuring seamless alignment of the BCM with organizational requirements.

Review of Internal Audit reports with medium and high risks and corrective action plans to address substantial deficiencies in risk management and internal control systems
The ARC reviewed the findings, recommendations and action plans agreed by management in response to matters raised by Internal Audit related to the audits performed in 2024 in accordance with the Internal Audit Plan as approved by the ARC. A total of 10 reports were issued during the year with 32 High, 154 Medium and 20 Low agreed action plans.

The ARC also received and reviewed the follow-ups relating to the actions agreed in response to Internal Audit reports issued during the period of Jan-2022 to Dec 2024. 637 agreed actions including 95 identified to be of High Significance were closed during 2024. The overall closure rate for the referred period is 93%. As on 31 December 2024, there were no high significance actions outstanding for more than 365 days.

The Risk and Business Continuity Function has closed outstanding audit points and reported to the ARC in late December 2024 regarding signing of the revised Crisis Management Plan Procedure and placement of new standalone Crisis Communication Plan.

Review of transactions with related parties
Related party transactions were presented to the ARC by the Group Chief Financial Officer (GCFO). GCFO confirmed that proper internal controls over financial reporting are established to ensure completeness and compliance. Related party transactions and the associated controls have been audited by the external Audit provider. The ARC had reviewed related party transactions presented; no significant conflicts of interest were identified. Please refer to section 5 of this Annual Corporate Governance Report for 2024.

b. Nomination and Rewards Committee (NRC)

Acknowledgment

Ahmed Ali Mohamed Ali Al Shamsi, the Chairman of the Nominations and Rewards Committee, acknowledges his responsibility for the NRC's role and mandate within the corporate governance structure of EMSTEEL Group and for the review of efficiency of Committee's operations.

Members of the Nominations and Remuneration Committee

The current Nomination and Rewards Committee was reformed on 28 October 2024. The Nomination and Rewards Committee currently comprises the following three (3) members who are all independent and non-executive Board members:

- Ahmed Ali Mohamed Ali Al Shamsi – Chairman
- Farah Abdulla Mohamed Ali Al Mazrui – Member
- Fatima Abdulla Mohamed Sharif Abdulla Al Fahim – Member

Meetings of the Nomination and Rewards Committee

During 2024, the Nomination and Rewards Committee convened 10 meetings/interviews as set out below:

Name	6 Feb 24	1 Mar 24	12 Mar 24 (Interview)	13 Mar 24 (Interview)	26 Mar 24 (Interview)	18 Apr 24	15 May 24	8 Jul 24	26 Jul 24	15 Nov 24	Attendance
Ahmed Ali Mohamed Ali Al Shamsi	-	-	-	-	-	-	-	-	-	●	1/1
Farah Abdulla Mohamed Ali Al Mazrui	●	●	●	●	●	●	●	●	●	-	9/10
Fatima Abdulla Mohamed Sharif Abdulla Al Fahim	-	-	-	-	-	-	-	-	-	●	1/1
Jamal Salim Al Dhaheri ¹	●	●	●	●	●	●	●	●	●	-	9/9
Nabeel Qadir ²	●	●	●	●	●	●	●	●	●	-	9/9

Key Responsibilities

The roles and responsibilities of the Nomination and Rewards Committee are defined in its Charter which is approved by the Board of Directors. The Charter defines the roles and responsibilities of the NRC Committee in terms of:

- Nomination of membership of the BoD and executive management.
- Formulation and annual review of EMSTEEL policy on granting rewards/remuneration, benefits, incentives and salaries for Board Members and employees and make recommendations regarding the general compensation philosophy for EMSTEEL Group, as well as the budget for annual incentives to be awarded.
- Annual performance evaluation of the BoD and Board Committees.

- Verification of independence of Board Members.
- Development and awareness/induction programs for BoD members.
- Review of the performance measurement framework for EMSTEEL Group and its Business Units, reviewing/ endorsing the Group's scorecard results, and determining targets for performance-related compensation schemes.
- Endorsement and overseeing the implementation of the Group's People Policy, as well as endorsing changes in People Policy and high-level organisational structure.
- Self-evaluation of the Board Committee's performance on an annual basis.
- Reporting and updating the Board on significant Board Committees' activities.

¹ Acted as Chairman of Nomination and Rewards Committee until October 2024.
² Served as member of Nomination and Rewards Committee until October 2024.

c. Strategic Investment Committee (SIC)

Acknowledgement

Nabeel Qadir, the Chairman of the Strategic Investment Committee, acknowledges his responsibility for the SIC's role and mandate within the governance structure of EMSTEEL Group and for the review of efficiency of Committee's operations.

Members of the Strategic Investment Committee

The current Strategic Investment Committee was reformed on 28 October 2024. The Strategic Investment Committee currently comprises the following five (5) members:

- 1. Nabeel Qadir – Chairman
- 2. Abdulaziz Abdulla Ismail Mohamed Al Hajri – Member
- 3. Ahmed Ali Mohamed Ali Al Shamsi - Member
- 4. Farah Abdullah Mohamed Ali Al Mazrui – Member
- 5. Sami Najati - Member

Meetings of the Strategic Investment Committee

During 2024, the Strategic Investment Committee convened 10 meetings as set out below:

Name	24 Apr 24	24 Jun 24	8 Jul 24	2 Aug 24	10 Sep 24	11 Sep 24	18 Sep 24	4 Dec 24	5 Dec 24	10 Dec 24	Total Participation
Nabeel Qadir	●	●	●	●	●	●	●	●	●	●	10/10
Abdulaziz Abdulla Ismail Mohamed Al Hajri	●	●	●	●	●	●	●	●	●	●	10/10
Ahmed Ali Mohamed Ali Al Shamsi	-	-	-	-	-	-	-	●	●	●	3/3
Farah Abdulla Mohamed Ali Al Mazrui	●	●	●	●	●	●	●	●	●	●	10/10
Sami Najati	-	-	-	-	-	-	-	●	●	●	3/3

Key Responsibilities

The roles and responsibilities of the Strategic Investment Committee are defined in its Charter which is approved by the Board of Directors. The Charter defines amongst other things:

- Endorsing the corporate strategy, medium- and long-term business plans including the 5-year business plan.
- Endorsing annual plan and budget and amendments thereto (including assumptions).
- Endorsing project feasibility studies and budgets.
- Endorsing the changes in capital structure - incremental bank/credit facilities and guarantees, issue of shares and issue of bonds/sukuk.

- Investment protocols (investment in equity or debt instruments, derivatives, associates, REIT and others).
- Self-evaluation of the Committee's performance on an annual basis.

The SIC Charter, as approved by the Board of Directors, outlines the scope of the SIC's activities by detailing its roles and responsibilities pertaining to investment activities across 3 main categories: organic growth investments, inorganic growth investments, and treasury investments. The SIC is not a permanent Board Committee and is to be convened on a 'need to have' basis at the discretion of the Board.

d. Environment, Social & Governance Committee

Acknowledgement

Fatima Abdalla Mohamed Sharif Abdulla Al Fahim, the Chairperson of the Environment, Social & Governance Committee, acknowledges her responsibility for the ESG Committee's role and mandate within the corporate governance structure of EMSTEEL Group and for the review of efficiency of Committee's operations.

Members of the Environment, Social & Governance Committee

The current ESG Committee (ESGC) was reformed on 28 October 2024. The ESG Committee currently comprises the following three (3) members:

- 1. Fatima Abdalla Mohamed Sharif Abdulla Al Fahim – Chairperson
- 2. Abdulaziz Abdulla Ismail Mohamed Al Hajri – Member
- 3. Majid Al Zarooni – Member

Meetings of the Environment, Social & Governance Committee during 2024

During 2024, the ESG convened 4 meetings as set out below:

Name	1 Mar 24	11 Jul 24	30 Oct 24	17 Dec 24	Attendance
Fatima Abdulla Mohamed Sharif Abdulla Al Fahim	●	●	●	●	4/4
Abdulaziz Abdulla Ismail Mohamed Al Hajri	●	●	●	●	4/4
Majid Al Zarooni	-	-	-	●	1/2
Jamal Salem Al Dhaheri ¹	●	●	-	-	2/2

Key responsibilities

The ESG Committee has been formed by the Board of Directors to assist in overseeing EMSTEEL Group's programs, policies, and practices related to ESG, health and safety, sustainability, and corporate social responsibility (CSR). The ESG Committee ensures these matters align with EMSTEEL's mission and vision, addressing issues such as climate change impacts, energy conservation, biodiversity, human rights, diversity, responsible sourcing, and more. The Committee's responsibilities include:

- Reviewing and recommending ESG and sustainability policies and practices.
- Monitoring key political and regulatory trends related to ESG.
- Providing oversight on ESG and CSR strategies and their implementation, including climate change mitigation, resource conservation, and biodiversity.
- Assessing performance on ESG-related metrics, including diversity, equity, inclusion, and responsible sourcing.
- Overseeing environmental, health, and safety performance.

- Reviewing significant ESG-related incidents or litigation.
- Reviewing ESG-related disclosures and sustainability reports.
- Supporting communication and engagement with stakeholders on ESG and sustainability matters.
- Approve annual Decarbonization and CSR budget as it pertains to ESG matters.
- Ensuring management allocates sufficient resources to achieve ESG goals.
- Self-evaluation of the Committee's performance on an annual basis.
- Other material ESG topics.

The ESGC Charter, as approved by the Board of Directors, outlines the scope of the ESG Committee's activities by detailing its roles and responsibilities pertaining to ESG activities. The ESG Committee is not a permanent Board Committee and is to be convened on a 'need to have' basis at the discretion of the Board.

e. Board duties and mandates performed by a Board member or a member of executive management

There were no special tasks delegated to any of the Board members or executive management during 2024, other than those delegated in the normal course of business.

¹ Served as member of ESG Committee until October 2024.