

1. Corporate Governance Overview

The Board of Directors (“**BoD**”), entrusted by the shareholders, oversees the affairs of EMSTEEL Group, which comprises EMSTEEL Building Materials PJSC, its subsidiaries (including Emirates Steel Industries Co. PJSC) and associate investments (collectively referred to as “**EMSTEEL Group**”).

EMSTEEL Group embraces its responsibility as a corporate citizen by upholding the highest standards of corporate governance. Through its firm commitment to transparency, accountability, and ethical business practices, EMSTEEL Group aims to create enduring value for its shareholders. EMSTEEL Group consistently strives to align its activities with best practices in corporate governance, fostering a culture of integrity and operational excellence.

The corporate governance framework at EMSTEEL Group is designed to empower management to direct and control the Group’s operations efficiently, ensuring sustainable value creation. This approach is guided by the core values of people, innovation and accountability, the principles that form the foundation of EMSTEEL Group’s vision.

EMSTEEL Group firmly believes that robust corporate governance and ethical leadership are critical to maintaining its competitive edge and realizing the full potential of the EMSTEEL Group. This commitment is driven by disciplined oversight from the Board of Directors, a leadership team of unwavering integrity, having a focus on meaningful engagement with all shareholders and stakeholders.

By integrating strong business fundamentals, corporate social responsibility, and health, safety, and environmental stewardship into its operations, EMSTEEL Group aims to create sustainable value that benefits not only its stakeholders but also the wider community.

EMSTEEL Group complies with the requirements of the ‘Chairman of Authority’s Board of Directors’ Resolution No. 3 of 2020 concerning the approval of joint-stock companies and any subsequent amendments thereto.

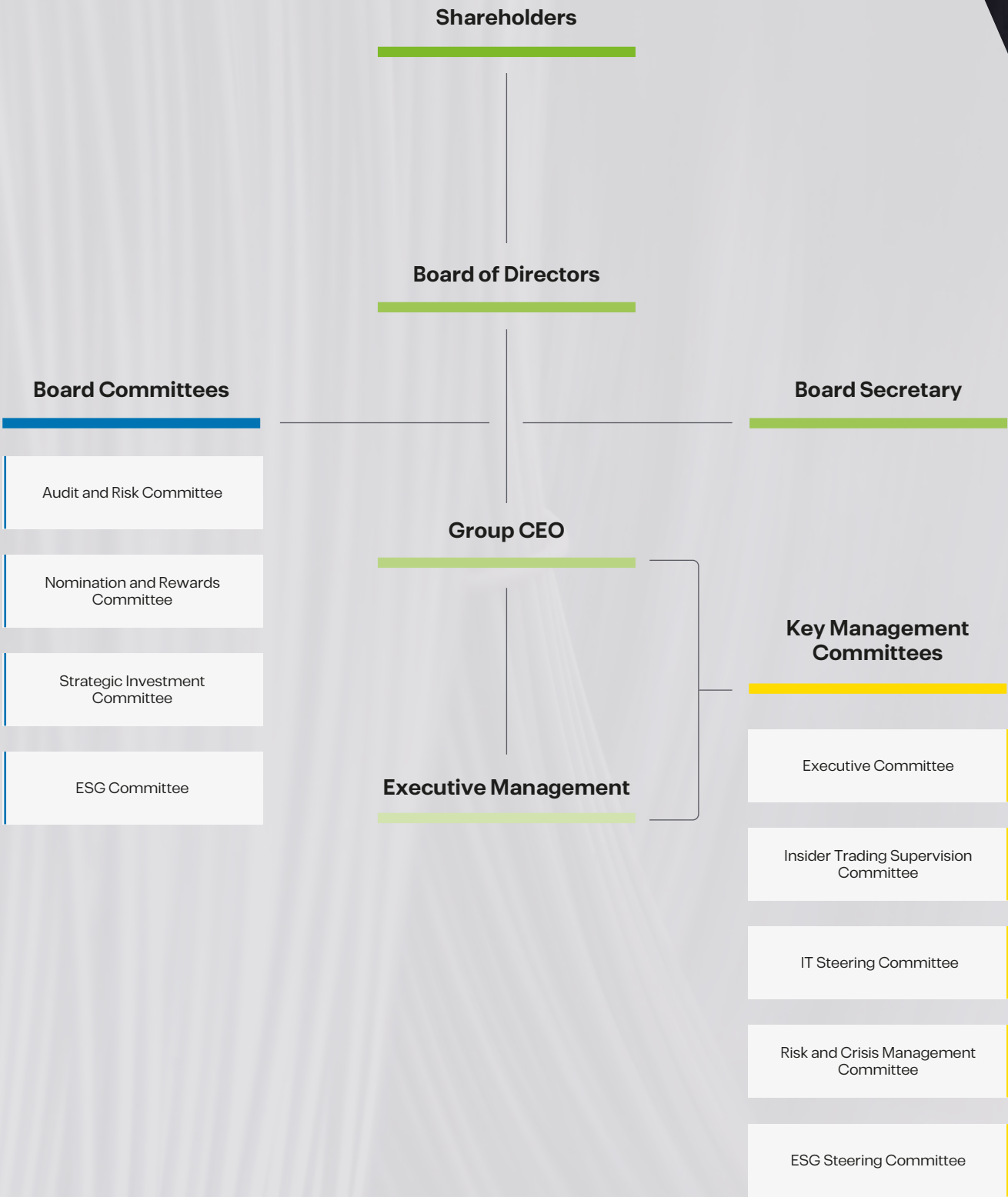
a. Pillars of Corporate Governance

The following Corporate Governance Pillars serve as the foundation for ethical decision-making, operational integrity, and sustainable business growth at EMSTEEL Group:



b. Group Governance Structure

An overview of the corporate governance structure of the EMSTEEL Group is set out below:



c. Elements of Corporate Governance

- Board Governance:** The Board of Directors demonstrates a strong commitment to independence, with 86% of its members classified as independent. This high percentage of independence ensures that board decisions at EMSTEEL Group are made with objectivity, free from undue influence, and aligned with the best interests of the EMSTEEL Group. A board charter has been developed defining the roles, responsibilities, and operating procedures of the Board of Directors, setting out clearly the BoD mandate to provide strategic guidance for the EMSTEEL Group and effective oversight of its management and operations in attaining the EMSTEEL Group's business objectives.
- Board Committees:** The Board of Directors has established the Audit and Risk Committee, Nomination and Rewards Committee, Strategic Investment Committee, and Environment, Social, and Governance Committee. These Board Committees include independent board members and operate under clearly defined Committee charters.
- Management Committees:** Charters and relevant policies and procedures are in place for the effective operation of the Management Committees such as the Executive Committee, Insider Trading Supervision Committee, Information Technology Steering Committee, Risk and Crisis Management Committee, Pricing Committee, Procurement Committee and ESG Steering Committee.
- Delegation of Authorities:** A comprehensive Delegation of Authorities Manual, approved by the BoD, outlines the authority structure for the Board and EMSTEEL Group's management across all significant transactions.
- Policies & Procedures:** Key business functions, such as finance, information technology, people, legal, risk management, supply chain, and commercial, are governed by Board-approved policies. In addition, supporting procedures are in place to ensure effective and structured mandates for each key business function. Each of such supporting procedures prescribes mandatory review of procedure documents every two years.
- Ethics & Compliance:** EMSTEEL Group has established a dedicated Ethics and Compliance function, which has oversight over compliance matters, such as whistleblowing, compliance with the EMSTEEL Group's code of conduct, anti-bribery and corruption, conflict of interest and related party transactions, fraud control, trade sanctions and other compliance-related matters.
- Risk Management and Business Continuity:** The Risk Management and Business Continuity function operates under a Risk Policy and procedures aligned with ADX and SCA standards for public listed companies. The function is mandated by the BoD which has oversight responsibilities pertaining to EMSTEEL Group's risk management framework. In particular, the Board is mandated to approve the Risk Policy including the Risk Appetite and Risk Tolerance Limits of EMSTEEL Group, ensure that risk management is incorporated into the culture of EMSTEEL Group and delegate power to the Audit and Risk Committee for executing responsibilities assigned for risk management activities.
- Internal Audit:** The Internal Audit (IA) function is well-structured and robust, ensuring effective oversight and accountability. The Group Head of Internal Audit directly reports to the Audit and Risk Committee, reinforcing independence and transparency. IA activities are conducted in accordance with a risk-based Internal Audit Plan, with additional advisory services provided upon stakeholder request. The executive management closely monitors the implementation of IA findings to ensure timely and effective action.
- Business Plan:** The annual business plan is developed and formally approved by the Board of Directors.
- Corporate Performance:** A Corporate Balanced Scorecard is in place, approved by the Board of Directors at the start of the year. It incorporates key financial and non-financial indicators, addressing all critical performance dimensions.

d. Developments during 2024

To effectively support and implement the EMSTEEL Group's Governance Structure, the Corporate Governance & Board Secretariat function has been established as a sub-function under Group Legal, which among other mandates, will focus on developing, enhancing and harmonizing governance practices across the EMSTEEL Group.

2. Share Dealings of Board Members

All members of the Board of Directors are committed to comply with all applicable laws, regulations and decisions issued pursuant to their dealings in the EMSTEEL's securities. The following are the insider trades and statement reports for the year ended 31 December 2024 as provided in the letter received from Abu Dhabi Securities Exchange (ADX) on 11 January 2025:

Name	Position / Relationship	Shares Owned as at 31 December 2024	Total Sales	Total Buying
Saeed Ghumran Saeed Salem Al Remeithi	Member of the Board of Directors	125	--	--
Fatima Abdulla Mohamed Sharif Abdulla Al Fahim	Member of the Board of Directors	1,500	--	--

