

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	--	--

