Integrated Management System

EMSTEEL AUDIT AND RISK COMMITTEE (ARC) CHARTER

1. DEFINITIONS / ABBREVIATIONS

Term/Abbreviation	Definition
Board or BOD	Board of Directors of the Company.
Board Member	Any member of the Board as elected by the General Assembly from time to time.
BCM	Business Continuity Management.
Chair	Chairperson of the Committee.
Charter	A document that includes terms of reference regulating the operations and setting out the roles and responsibilities of the ARC. The BOD establishes this ARC as a board committee with authority to approve the matters set out herein.
Committee or ARC	An audit and risk committee established by the Board of Directors of EMSTEEL Building Materials PJSC in fulfilling their oversight responsibilities towards governance, financial reporting, system of internal controls, risk management framework, internal and external auditing processes and compliance.
Compliance Function	A function established by the Company based on SCA Resolution No. 03 of 2020 (as amended from time to time), to verify Company's and its employees' compliance with applicable laws, regulations and Company's internal policies and procedures.
Conflict of Interest	Any relationship that is, or appears to be, not in the best interests of EMSTEEL that will prejudice an individual's ability to perform his/her duties and responsibilities objectively.
Control Processes	Policies, procedures (manual and automated), and activities forming the control framework designed and operated to ensure that risks are contained within the level that EMSTEEL is willing to accept.
Corporate Governance	A set of controls and rules that ensure institutional discipline in relationships and management in the Company in accordance with international standards and methods through identifying the responsibilities and duties of the Board members and the Senior Executive Management of the Company, taking into account the protection of the rights of shareholders and Stakeholders[1].

[1] As per SCA Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide

Delegation of Authority	The policy on Delegation of Authority as may be amended from time to time.
EMSTEEL or Company	EMSTEEL Building Materials PSJC. Any reference to EMSTEEL would extend to all its subsidiaries.
External Auditors	Independent statutory auditors appointed to audit the financial statements of EMSTEEL and provide an opinion on the accuracy and fairness of the financial position, as appointed by the General Assembly.
Fraud	Any activity that relies on deception in order to achieve a gain. Fraud becomes a crime when it is a "knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment."[2]
Group	Collectively Company and each of its subsidiaries.
Group Chief Executive Officer ("GCEO")	Authority to whom the IAF shall have an administrative reporting line.
Group Head of Internal Audit ("GHIA")	The person responsible for leading the IAF at EMSTEEL, reporting functionally to the ARC and administratively to the GCEO.
Head of Compliance	A person acting as the compliance officer of the company; responsible to verify its compliance as well as the compliance of its staff with the provisions of the law, and the regulations and decisions issued pursuant thereto, as well as with the company internal policies and procedures[1]. He/she is functionally subordinates the ARC committee, and administratively subordinates the GCEO[1].
Head of Risk	The person acting as the company's risk management officer, responsible for developing and implementing a detailed risk management framework, advising the internal auditing department on corporate governance and best practices in risk management industry to ensure effective risk management[1]. He/she is part of the senior management of the company and is functionally subordinates the ARC committee, and administratively subordinates the GCEO[1].
Independent Board Member	A Board Member who has no relationship with the Company, its Executive Management, auditor, parent company, subsidiary, sister or affiliate company, in a manner that may lead to financial or other benefits that may

[2] As per the Association of Certified Fraud Examiners (ACFE).

	affect his / her decisions. A member forfeits his independence capacity in the cases stipulated in this Decision[1].
Internal Audit	A control, advisory, independent and objective activity designed to add value and improve the level of the company processes[1].
Internal Audit Function ("IAF")	The EMSTEEL function responsible for Internal Audit.
Internal Control	Management's actions to ensure objectives are achieved, including effectiveness, economy, efficiency, compliance, safeguarding of assets, and reliability of management information.
Non-Executive Board Member	A Board Member who neither holds any position in the Company nor receives a salary therefrom, who receives the remuneration as a Board Member which is not considered as a salary[1]
Related Party	1. Chairman and members of the company's board and their relatives. 2. Executive management members and their relatives. 3. Employees of the company. 4. Companies in which any of the aforementioned hold at least 30% of its capital. 5. Parent, subsidiary, sister, or affiliated companies of the company 6. Major shareholders in the company (anyone owning 5% or more of the company's shares or voting rights). 7. Chairman and members of the boards of parent, subsidiary, sister, or affiliated companies the company. 8. In companies where any member of the board or executive management of the company serves as a Board Member or senior executive[1].
Risk	The uncertainty of an event occurring that could negatively impact the achievement of objectives.
Risk Management	Guidelines, principles, processes, and procedures related to risk management as determined by the Board[1].
SCA	Securities and Commodities Authority of the UAE.
Secretary	The person appointed by the Chair to act as Secretary of the Committee.

2. PURPOSE

2.1 The purpose of the ARC of EMSTEEL Building Materials PJSC is to provide a structured, systematic oversight of EMSTEEL's governance, risk management, business continuity, compliance, and internal control practices. The ARC assists the Board and management by providing advice and guidance on the adequacy of EMSTEEL's initiatives for:

a. value and ethics;
b. governance structure;
c. Risk Management;
d. Internal Controls framework;
e. oversight of the IAF;
f. the External Auditors;
g. other providers of assurance;
h. accounting and financial reporting processes and audits of its financial statements;
i. compliance processes.

2.2 In broad terms, the ARC reviews each of the items above and provides the Board with independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvements to those practices.

2.3 ARC is responsible for oversight of Internal Audit, Risk and Compliance functions. The ARC, in consultation with senior executive management, ensures that appropriate and robust systems and procedures are in place for effective internal auditing of the Company and compliance.

3. MANDATE AND TERMS

3.1 The mandate of the ARC covers EMSTEEL and all its subsidiaries.

3.2 The ARC term shall commence upon its formation by the Board and shall continue for a period of three (3) years, co-existing with the term of the Board.

4. COMMITTEE ROLES & RESPONSIBILITIES

4.1 The Committee should encourage continuous improvement of, and should foster adherence to, the EMSTEEL's policies, procedures, and practices at all levels. The Committee should also provide for open communication among the External Auditors, financial and senior management, the IAF and Compliance Function, and the Board.

4.2 The Committee shall understand EMSTEEL's structure, controls, and type of transactions in order to adequately assess the significant risks faced by EMSTEEL in the current environment and shall perform the following:

Sr. No.	Area/Function	Responsibilities
1.	Governance	a. Obtain reasonable assurance with respect to EMSTEEL's governance process.

Sr. No.	Area/Function	Responsibilities
		b. Review and provide advice on the governance processes established and maintained by EMSTEEL and the procedures in place to ensure that they are operating as intended with the assistance of the IAF.
2.	Review of Financial Statements	a. Review with senior management and the External Auditors the result of the external audit engagement including any difficulties encountered and any matters of significant disagreement between the auditors and senior management. b. Review EMSTEEL financial and accounting policies and procedures. c. Review any significant accounting and reporting issues, and approve changes in accounting policies to ensure compliance with internationally accepted accounting standards established by the Authority. d. Review analyses prepared by senior management and/or the external auditor setting forth significant financial reporting issues made in connection with the preparation of the financial statements. e. Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of EMSTEEL. f. Review the assumption of business continuity. g. Review compliance with listing and disclosures rules and other legal requirements related to financial reporting. h. Review and challenge the methods used to account for significant or unusual transactions where different approaches are possible, and approve significant adjustments resulting from any audit, complex or unusual transactions and highly judgmental areas, recent professional and regulatory pronouncements, changes in law, external factors (such as a global financial crisis) and understand their impact on the financial statements. i. Endorse the financial statements (annual or interim), including disclosures, and consider whether they are complete, consistent

Sr. No.	Area/Function	Responsibilities
		with information known to ARC members, and compliant with internationally accepted accounting principles and standards. j. Endorse other sections of the annual report and related regulatory filings (as applicable) and consider the accuracy and completeness of the information before it is released, with the objective of ensuring that the information is reliable and that it does not contradict the financial aspects of the annual report. k. Ensure the year-end financial figures are supported by management confirmation on figures and on the sufficiency of the internal control systems. l. Review Related Party transactions and ensure that there are no conflicts of interest and raise recommendations to the Board about these transactions before concluding them.
3.	Internal Controls and Governance, and Risk Management Framework	a. Obtain assurance about the adequacy and effectiveness of EMSTEEL's internal controls, including the following: i. the prevention, identification and detection of Fraud; ii. financial controls; iii. information technology security controls; iv. compliance; and v. governance. vi. Risk management Framework b. Review any recommendations, as well as remediation plans, including the status of remediation plans implemented by senior management to rectify any such deficiencies identified: c. Review and endorse any statement to be included in the annual report concerning internal controls, financial controls, governance and risk management. d. Ensure the adequacy of the systems of internal control through independent review of operational processes by the IAF, whether such task is conducted within EMSTEEL or (in whole or in part) outsourced to a third-party provider. e. Discuss reports from management, Risk Management, IAF and Compliance Function regarding any significant deficiencies or

Sr. No.	Area/Function	Responsibilities
		material weaknesses in the design or operation of EMSTEEL's internal control, compliance and governance systems and processes.
4.	Government Audit	a. Review reports submitted to the ARC by any governmental board. b. Review the responses to such reports by External Auditors, the IAF and senior management.
5.	Compliance, Whistleblowing and Fraud	a. Ensure that the Compliance Function has unrestricted access to all books, records, facilities and personnel of the Group. b. Review the compliance monitoring program periodically and receive reports from the Group General Counsel, Head of Compliance, and GHIA as required with regard to regulatory requirements, compliance policies and the implementation of new legislation or rules and ensure adherence to regulation and legislation. c. Ensure action is taken in relation to material breaches reported. d. Review EMSTEEL's procedures for detecting and preventing Fraud and bribery and receiving reports on non-compliance. e. Recommend action plans to mitigate legal and regulatory risk where required. f. Review the adequacy of EMSTEEL's management actions taken towards establishing a corporate culture of compliance with ethical and legal conduct. g. Review the findings of any examinations done by respective regulators. h. Review the process of communicating the code of conduct policy to EMSTEEL's personnel and management's efforts to monitor compliance with the code of conduct. i. Investigate any matters pertaining to the integrity of senior management including conflict of interest or adherence to standards of conduct as required by EMSTEEL's Code of Conduct, Fraud Control Policy, Conflict of Interest and Related Party Policy and the results of management's follow-up of any instances of non-compliance (including disciplinary action).

Sr. No.	Area/Function	Responsibilities
		j. Ensure that appropriate whistle blowing channel is established that enables the Company's employees and other stakeholders to report any potential violations in relation to accounting matters, internal control, noncompliance with respective regulations or policies and procedures or matters related to auditing and the rules of professional conduct. k. Review the Whistle Blowing policy and the adequacy of EMSTEEL's arrangements for its employees, contractors, service providers, suppliers, external parties, etc. to raise concerns, in confidence, about possible wrongdoing in accounting, financial reporting or other matters. l. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action. m. Review financial reports, Internal Control, or other matters, and steps to ensure independent and fair investigations of reported violations. n. Obtain periodic updates/reports from senior management and Legal Function regarding compliance issues and review with Legal Function matters that could have significant impact on annual reports. o. Obtain updates regarding actions taken against known perpetrators of Fraud. p. Challenge management and internal and External Auditors to ensure that EMSTEEL has appropriate anti-Fraud programs and controls in place to identify potential Fraud and ensure that investigations are undertaken if Fraud is detected. q. The Committee should receive any audit/ review/ investigation report conducted by the government authorities or any other external party. r. Ensure the existence of an adequate framework that could be reasonably expected to prevent and detect material Fraud in line with the Fraud Control Policy.

Sr. No.	Area/Function	Responsibilities
6.	Internal Audit	a. Review and approve the Internal Audit Charter (at least once every three years and / or as and when required). The said Charter should be reviewed to ensure that it accurately reflects the IAF's purpose, authority and responsibility, consistency with the mandatory guidance of the Institute of Internal Auditor's International Professional Practices Framework and responsibility of providing independent assessment on the scope and nature of assurance and consulting services as well as changes in the financial, Risk Management, and governance processes of EMSTEEL and reflects developments in the professional practice of internal auditing. b. Ensure that the GHIA has direct access to the Committee and is accountable to the Committee; c. Approve the (three-years) (risk-based/strategic) plan of the IAF, objectives, performance measures outcomes and budget as well as any subsequent changes. d. Approve the selection process for the appointment of the GHIA. e. Appoint / remove the GHIA and undertake an annual assessment of performance of the GHIA against defined key performance indicators. f. Review and approve key performance indicators for the GHIA and IAF. g. Approve the GHIA's remuneration. h. Ensure the IAF has unrestricted access to all books, records, facilities and personnel of EMSTEEL. i. Review and provide inputs on any unjustified restrictions or limitations to the IAF's scope reported by the GHIA. j. Review and approve the (annual) risk assessment methodology/approach. k. Review and approve the internal audit plan and any changes (cancellation and replacement of audits) to the plan during the year.

Sr. No.	Area/Function	Responsibilities
		l. Oversee and review at least annually the internal audit task, its resources, the IAF's organizational structure, budget, resource plan, performance relative to its audit plan. m. Approve overall IAF's training and development plans consistent with the overall work program and budget approval process. n. Review all reports submitted to the Committee by the IAF and senior management's responses to such reports. o. Inquire of the GHIA whether any internal audit engagements or non-audit engagements have been completed but not reported to the Committee; if so, inquire whether any matters of significance arose from such work. p. Review periodic follow-up reports showing the progress made by management to close out audit findings identified by Internal Audit in their audit reports. q. Meet with management, if needed, to discuss the overdue action plans and the reasons of not implementing those action plans. r. Review with EMSTEEL's management and auditors any significant deficiencies or breakdowns in the system of internal control or any Fraud that involves management, other employees or third parties dealing with the Company. s. Review and monitor management's responsiveness to findings and recommendations of the IAF and, where necessary, provide direction to management on timely rectification of high-risk weaknesses or shortcomings highlighted. t. Review and approve any investigations or special project assignments carried out by the IAF, if it needs more than 10 working days. u. Meet the GHIA in private as and when necessary to discuss the remit of the ARC's concerns and any issues arising from the internal audits carried out. v. Review the annual declaration made by the GHIA to ARC on the organizational independence of the IAF and recording the

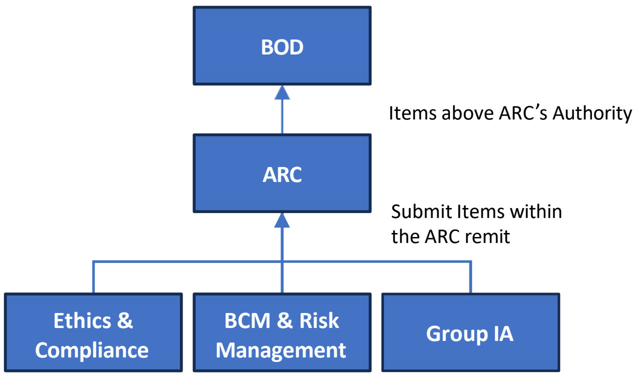
Sr. No.	Area/Function	Responsibilities
		committee's approval of their independence in the minutes of the meeting. w. The GHIA will report annually to the ARC regarding the IAF's conformance to the code of conduct, Internal Audit Charter and the IIA's Standards for Professional Practice of Internal Auditing. Any non-conformance issues noted will be reported promptly along with action plans. x. Inquire from the GHIA about steps taken to ensure that the IAF conforms with the IIA's International Standards for the Professional Practice of Internal Auditing. y. Review any instances reported to the Committee, where the IAF's independence or objectivity has been impaired in fact or appearance. z. Ensure that IAF has a Quality Assurance and Improvement Program and that the results of these periodic assessments are presented to the Committee. Discuss with the GHIA on the form and frequency of the external assessment which must be conducted on the IAF at least once every five years by a qualified independent assessor. aa. Review the results of the independent and external quality assurance review and monitor the implementation of the IAF's action plans to address any recommendations. bb. Advise the Board about any recommendations for the continuous improvement of the internal audit activity.
7.	External Auditor	a. Endorse the appointment and/ or rotation of the External Auditors for EMSTEEL and approve the appointment and/ or rotation of External Auditors in accordance with the requirements of the Statutory Auditors Appointment Regulations issued by Abu Dhabi Accountability Authority (ADAA), IPPF standards, etc. b. Ensure that the External Auditor meets the conditions stated in the applicable laws, regulations, and decisions and EMSTEEL's Article of Association.

Sr. No.	Area/Function	Responsibilities
		c. Assess annually the qualification, expertise and resources of the External Auditors and the effectiveness of the audit process. The assessment should cover all aspects of the audit service provided by the audit firm and include obtaining a report on the audit firm's own internal quality control procedures. d. Monitor, review and confirm the independence of the External Auditors. e. Ensure that there is a process in place to be informed of any reportable irregularities identified and reported by the external auditor. f. If the External Auditors resign, investigate the issues leading to such resignation and consider whether any action is required. g. Oversee the relationship with the External Auditor(s) including (but not limited to): i. Review the External Auditors' proposed audit scope and approach, including coordination of audit effort with the IAF; ii. Review the terms of reference of the External Auditors and report to the Board its recommendations with respect to the audit engagement fees and the overall terms of service to be provided by the External Auditors; iii. Obtain statements from the External Auditors about their relationships with EMSTEEL, including non-audit services performed in the past, and discuss the information with the External Auditors to review and confirm their independence and make such recommendations on these matters to the Board as the ARC deems fit; iv. Review any significant findings, irregularities identified, material control weaknesses and recommendations reported in the External Auditor's management letter points, together with management's responses; and v. Approve any additional work made by the external auditor and the related fees in consideration for that work. vi. Monitor management's progress on action plans.

Sr. No.	Area/Function	Responsibilities
		vii. Any restrictions on the scope of the External Auditor's activities or access to requested materials; viii. Any significant disagreements with senior management; ix. Any material audit differences to the financial statements that the external auditor noted or proposed to EMSTEEL that were not adjusted; and x. Any material errors or control weaknesses identified during the audit. h. Review and ensure compliance of the External Auditor with the Resolution of the Chairman of ADAA No. (1) of 2017 concerning the audit of the financial statements of the subject entities. i. Meet with the External Auditors at least annually without the presence of management to aid transparency and the opportunity to present issues, problems, comments and findings raised in the course of their audit.

5. COMMITTEE GOVERNANCE STRUCTURE

The ARC's governance structure is as follows:



6. AUTHORITY AND DELEGATION OF THE BOD

6.1 The ARC Charter sets out the authority of the ARC to carry out its roles and responsibilities established by the BOD and as articulated in this Charter. The Committee is authorized:

6.2 in discharging its responsibilities, to have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The Committee shall also have unrestricted access to records, data, and reports.

6.3 to receive any explanatory information that it deems necessary to discharge its responsibilities. EMSTEEL's management and staff should cooperate with the ARC's requests.

6.4 to obtain, at EMSTEEL's expense, outside legal or other professional advice on any matter within this Charter.

6.5 to pre-approve all audit and non-audit services performed by statutory auditors.

6.6 to conduct investigations into any matters within its scope of responsibility with full access to all books, records, facilities, and personnel of EMSTEEL and with the power to retain outside counsel or other experts for this purpose.

6.7 to resolve any disagreements between the management and auditors (internal or external) regarding audit findings, financial reporting, and investigations.

7. COMPOSITION

7.1 **General**

7.1.1 Members of the ARC are appointed by the Board of Directors (BOD) and serve terms as determined by the BOD.

7.1.2 The ARC shall consist of a minimum of three (3) Non-Executive Board Members, with the majority being Independent Board Members. The Chair must also be an Independent Non-Executive Member.

7.1.3 No person who has been a partner of the current External Auditors of EMSTEEL may be a member of the Committee for a period of one (1) year following his/her ceasing to be a partner.

7.1.4 Any member who does not attend four (4) consecutive Committee's meetings shall be replaced as soon as practical, provided that the notice for meetings was observed in accordance with clause 9 of this Charter.

7.1.5 Each member shall be well-versed in financial and accounting matters and financially literate or shall become financially literate within a reasonable period after appointment to the Committee. Financial literacy is the ability to read and understand a set of financial statements. At least one member shall be a financial expert having relevant accounting or related financial management or business expertise as determined by the Board.

7.1.6 The members should collectively possess sufficient knowledge of audit, finance, specific industry knowledge, IT, law, governance, risk and control. Because the responsibilities of the ARC evolve in response to regulatory, economic, and reporting developments, it is important to periodically re-evaluate the Committee's competencies and the overall balance of skills on the Committee in response to emerging needs.

7.1.7 A Committee member who intends to resign must submit a written notice at least sixty (60) days in advance to allow sufficient time for the appointment of a replacement. If a member resigns or ceases to serve on the Committee for any reason, leading to non-compliance with the composition criteria outlined above, the Board shall appoint the necessary number of new members as soon as practicable to fill the vacancy.

7.1.8 All decisions will be undertaken in alignment with authority granted to the Committee in the Charter.

7.1.9 The Corporate Governance and Board Secretariat Department shall maintain the titles and identities of the Committee members and shall ensure that the records are updated as necessary to reflect any changes thereto.

7.2 Chair

7.2.1 The Chair is appointed by the BOD and must be an Independent Board Member.

7.2.2 The Board chairperson may not be the Chair or a member of the Committee.

7.2.3 The Chair will approve the agenda for Committee meetings and any member may suggest items for consideration.

7.2.4 In the absence of the Chair, one of the independent committee members nominated by the Chair or elected by the Committee shall act as chairperson.

7.2.5 The Chair shall act as liaison between the Board and the Committee, canvassing the Board for opinion and voicing its views to the Committee.

7.2.6 The Chair shall at least on an annual basis report to the Board on the key activities conducted by the Committee.

7.2.7 The Chair shall ensure that Committee activities and recommendations are appropriately documented and followed up on.

7.3 Secretary

7.3.1 The Committee shall appoint the Group Head of Internal Audit to act as Secretary or such other person as nominated by the Chair.

7.3.2 The Secretary shall assist the Chair with the organization of Committee meetings, including preparation of meeting agendas and ensure that the Committee operates in compliance with the Charter and any applicable laws, regulations, policies, procedures, and standards.

7.3.3 The Secretary shall take note of the proceedings and resolutions of all the Committee meetings, including the names of those in attendance.

7.3.4 The Secretary shall minute the existence of any conflicts of interest.

7.3.5 The decisions taken by the Committee are documented by including them in the Committee's meeting minutes approved by the attending members. The Committee is granted through its decisions the authority necessary to EMSTEEL's management to take appropriate actions and implement ARC recommendations.

7.3.6 A document may be prepared regarding one of the committee's decisions to be signed by the Chair and addressed to the Board, the GCEO or any other individual or authority (provided that this decision has been approved by majority of the Committee members).

7.3.7 Draft minutes of meetings shall be circulated promptly by the Secretary to all members of the Committee within ten (10) business days of the meeting.

7.3.8 The meeting minutes shall be agreed/approved electronically by the ARC members within 10 working days of receiving the minutes. The minutes should be signed by the ARC members at the next ARC meeting. In case a member refuses to sign, his/her objection shall, together with the causes of objection, be reflected in the meeting's minutes.

7.3.9 The Secretary shall safely keep all minutes and documents and maintain the confidentiality of all Committee proceedings.

7.3.10 Minutes of all Committee meetings shall be available for inspection by any member of the Committee at any time.

7.3.11 The Secretary will maintain the Committee's action log and will present to the ARC during the meeting the progress of closing actions taken in previous meetings.

7.3.12 The Secretary shall keep the Committee members fully briefed on any information that may be considered while taking decisions.

7.3.13 The Secretary shall coordinate with the concerned functions regarding Committee recommendations that necessitate legal compliance and regulatory procedures; and

7.3.14 Decisions taken and resulting action points shall be promptly communicated by the Secretary to the GCEO and to whom they consider deemed appropriate.

8. OPERATING PRINCIPLES

8.1 Audit Committee Values

The Committee shall conduct in accordance with the code of conduct, values and ethics of EMSTEEL and the Committee expects that management and staff of EMSTEEL will adhere to these requirements.

8.2 Communications

The Committee expects that all communication with management and staff of EMSTEEL as well as with any external assurance providers shall be direct, open and complete.

8.3 **Work Plan**

The Chair shall collaborate with the GHIA, senior management, Head of Compliance and Head of Risk Management to establish a work plan to ensure that the responsibilities of the Committee are scheduled and will be carried out.

8.4 **Meeting Agenda**

The Chair or the Secretary shall establish agendas for Committee meetings in consultation with Committee members, and senior management.

8.5 **Information Requirements**

The Committee shall establish and communicate its requirements for information, which will include the nature, extent, and timing of information.

8.6 **Executive Sessions**

The Committee shall schedule and hold if necessary, a private session with the GCEO, the GCFO, external assurance providers, and with any other officials that the Committee may deem appropriate at each of its meetings.

8.7 **Preparation and Attendance**

Committee members are obliged to prepare for and participate in Committee meetings.

8.8 **Conflict(s) of Interest**

a. It shall be the duty of each Committee member to bring to the attention of the Chair any conflicts of interest that arise in relation to their appointment or subsequent to their appointment. The Chair should evaluate any such conflict of interest and make recommendations to the Board and the remaining Committee members should the conflict be such that the composition of the Committee needs to be adjusted;

b. The Chair may refer any conflict of interest directly to the Board if he/she deems it more appropriate that such conflict of interest be considered only by the Board, for which the Board may request the Chair for his/her recommendations; and

c. Each Committee Member shall ensure that no decision or action is taken that has the effect of placing his or her interests as a priority over the interests of EMSTEEL.

8.9 **Orientation and Training**

Committee members shall receive, upon their request, any formal orientation training on the purpose of the Committee and on EMSTEEL's objectives.

9. MEETINGS

9.1 The Committee shall endeavor to agree upon scheduled meeting dates at the beginning of each calendar year. Meetings of the Committee shall be called by the Secretary at least four (4) times per year. Additional meetings can be convened at the Committee's discretion as circumstances require. The Chair may call for a meeting when requested to do so by any member of the Committee, External Auditor, the GHIA, the BOD chairperson, or the GCEO.

9.2 Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, along with supporting papers shall be forwarded to each member of the Committee at least five (5) days in advance of the scheduled meeting unless otherwise approved by a majority decision by the Committee. Each member of the Committee has the right to add any topic he/she deems necessary to discuss at the meeting.

9.3 Meetings of the Committee shall not be valid, unless attended by the majority of the members (in person not by proxy). The meetings can be held in person or over video conference. In the case of physical meetings, the Committee members should strive to attend in person. Should this not be possible, any one or more members of the Committee may participate in the meeting by means of a conference telephone, videoconference or similar device. Participation by such members shall constitute presence in person at the meeting.

9.4 In the event the quorum requirement for a meeting of the Committee is not met, the meeting shall be reconvened at such time and place as the Committee members shall agree.

9.5 Under certain circumstances the Committee may consider an item by circulation of papers.

9.6 Only members of the Committee shall have the right to vote. Decisions shall be taken by a majority vote of members present. In the event of a deadlock, the Chair will have a casting vote. Moreover, voting by proxy shall not be considered.

9.7 The Committee may, at its discretion, invite any Board Member, member of the senior management of EMSTEEL, or other person to attend all or part of any meeting as and when appropriate and necessary or to provide their input in relation to specific agenda items in order to assist the Committee in the attainment of its objectives.

9.8 The Committee members shall attend all meetings and shall not be represented in the meetings by proxy from other members.

9.9 If any conflict of interest exists, the Committee member subject to the conflict shall not participate or vote on the issue giving rise to the conflict.

9.10 The Committee shall hold meetings periodically with the External Auditors and internal auditors of the company.

9.11 The internal auditor and the External Auditor may call for a meeting with the ARC at any time, whenever required.

9.12 The meetings of the ARC shall be documented, including any recommendations, voting results, the names of attendees and any reservations they have made (if any). These minutes shall be signed by all members attending the meetings.

9.13 The following apply when holding ARC Meeting Via Modern Technology:

a. The ARC members shall have the choice to record audio/video of the meetings.

b. The recorded meetings require a written permit from all ARC members.

c. Each ARC member and the Secretary shall introduce himself at the beginning of the meeting (for recording purpose).

d. ARC members should confirm receiving all documents and agenda.

e. Each ARC member shall mention his name if he desires to speak at the meeting when intervening, commenting or voting.

f. Each member shall be in a position to speak loudly and clearly. In the event of poor connection or interruption during the meeting, the Secretary shall repeat what is said during the interruption period. In the event of voting, the Secretary shall repeat again to ensure that all members have heard what is said before the voting process.

g. The decisions issued in an ARC meeting held via modern audio and/or audio-video technology shall be valid and effective if they are approved by majority of members presenting in person or through any of these means.

10. REPORTING TO THE BOD

10.1 The Committee shall report to the Board annually, summarizing its activities and recommendations.

10.2 The report shall include:

a. A summary of the work the Committee performed to fully discharge its responsibilities during the preceding year;

b. A summary of senior management's progress in addressing the results of internal and external audit engagement reports;

c. An overall assessment of management's risk, control, and compliance processes, including details of any significant emerging risks or legislative changes impacting the EMSTEEL;

d. Details of meetings including the number of meetings held during the relevant period and the number of meetings each member attended;

e. Provide information required, if any, by new or emerging Corporate Governance developments;

f. Performance of IAF and Compliance Function.

g. The results of the ARC self-assessment;

h. Summary of key observations; recommendations and agreed action plans.

11. CONFIDENTIALITY

11.1 All proceedings of the Committee, including reports submitted and presentations made, shall be kept confidential and will not be disclosed or released to any person other than Committee members, except as required by law, or as advised by the Board or the ARC.

11.2 Committee members shall follow the laws and regulations in respect to privacy and confidentiality of information.

12. REMUNERATION

The remuneration of a Committee member for serving on the Committee shall be determined by the Nomination and Rewards Committee and subsequently endorsed by the Board for approval by the shareholders.

13. EVALUATION

13.1 On an annual basis, a structured self-evaluation of the Committee's performance shall be undertaken by the Chair and members together with the Secretary. Refer to Appendix I for the illustrative parameters and criteria for assessment.

13.2 The results of the evaluation should be shared with the Committee and the Board as part of the annual ARC report.

14. OWNERSHIP AND DOCUMENT MAINTENANCE RESPONSIBILITIES

14.1 Document Owner

The Corporate Governance function at EMSTEEL is the primary owner of this document and is responsible for ensuring its accuracy, relevance, and alignment with corporate governance standards.

14.2 Approval Authority

This Charter must be approved by the BOD before its implementation in accordance with EMSTEEL's Delegation of Authority Manual.

14.3 Document Updates

Any revisions or changes to this Charter should be reviewed by Group General Counsel, Corporate Governance Manager and Group Head of Internal Audit and routed to the designated authorities outlined in Section 14.2 for approval.

14.4 **Periodic Review**

The ARC shall review this Charter at least once every three (3) years or as required due to organizational or regulatory requirements.

14.5 **Version Control**

Each revision or update of this Charter must be documented in the Issue History section, clearly indicating the changes made, date of revision, and the approving authority.

14.6 **Distribution and Accessibility**

a. The latest version of this Charter must be made available to all relevant stakeholders through EMSTEEL's Integrated Management System website: https://emiratessteeluae.sharepoint.com/sites/EMSTEEL-IMS

b. Stakeholders are responsible for ensuring they reference the current version in their work.