Integrated Management System

EMSTEEL Nomination and Rewards Committee (NRC)

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.
Board Secretary	The person appointed by the Board independent of Company management and designated as the Board Secretary of the Company.
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 NRC.
Committee or NRC	The Nomination and Rewards Committee appointed by the Board.
Delegation of Authority	The policy on Delegation of Authority as may be amended from time to time.
Employee	An employee of the Company.
EMSTEEL or Company	EMSTEEL Building Materials PSJC
Executives	An Employee directly reporting to the Group Chief Executive Officer and carrying out managerial responsibilities including employees designated as an Executive by the Nomination and Rewards Committee. Collectively, as Executives.
Governance Rules	The governance rules set forth in Securities & Commodities Authority Decision No. (3/Chairman) of 2020 Concerning the Approval of Joint Stock Companies Governance Guide, as may be amended or replaced from time to time.
Group	Collectively, the Company and each of its wholly owned or controlled subsidiaries.
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 affect his / her decisions. A member forfeits his independence capacity in the cases stipulated in this Decision.

Non-Executive Board Member	A member that neither holds any position in the Company, nor receives a salary therefrom, and the remuneration it receives as Board member shall not be considered as a salary.
SCA	The Securities and Commodities Authority in the UAE.
Secretary	The person appointed by the Chair to act as Secretary of the Committee.
Senior Management	An Employee directly reporting to an Executive.

2. PURPOSE

The Nomination and Rewards Committee (NRC) has been constituted as a permanent committee of the Board of Directors ("Board") of EMSTEEL to assist in fulfilling Board's responsibilities with respect to:

a. Ascertaining the appropriate composition of the Board and endorsing the nomination of suitable Board Members to the Board and its committees;

b. The assessment of the performance of the Board, Board committees, each Board Member and the Executives; and

c. The endorsement of the Rewards policy, strategy and guidelines of the Group and such other duties as mentioned in this Charter and the Delegation of Authority.

3. MANDATE AND TERM

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

3.2 The NRC Committee's 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 ROLE AND RESPONSIBILITIES

Sr.No.	Area/Function	Responsibilities
1.	Board nomination, selection, training and assessment	The Committee shall: a. Set a nomination policy for membership of the Board and the Executives for the promotion of gender balance in order to encourage women through incentives, training benefits and programs and provide the SCA with a copy of this policy and any amendments thereto;

Sr.No.	Area/Function	Responsibilities
		b. Set the policy on the appointment of Board members and oversee the process for Board elections in accordance with the Governance Rules; c. Organize and follow-up on the process for the appointment of members to the Board in line with applicable laws and regulations as well as this Charter; d. Oversee the preparation of induction materials and orientation sessions for new Board Members, in consultation with the Group Chief Executive Officer, Executives, Senior Management and the Board Secretary; e. Review outside memberships of Board Members, the Group Chief Executive Officer and Executives on a periodic basis and ensure that a review and approval process take place before a member of the Board accepts nomination to serve on another Board so as to ensure that the activity will not create a conflict of interest; f. Assisted by the Board Secretary, will oversee the availability of professional development opportunities and training for the Board members and specialist training for committee members or individual Board Members, to enable Board Members to regularly update and refresh their skills and knowledge, as determined by the Board; g. Ensure that each member of the Board annually confirms that they can devote sufficient time and resources to effectively fulfil their role as a Committee member; h. Verify the ongoing independence of the Board Members and annually verify the compliance by the Board Members with the required membership conditions in line with the process outlined below and as applicable under the Governance Rules: o If the Committee discovers that any of the Board Members do not meet the criteria for independence, it shall present this matter to the

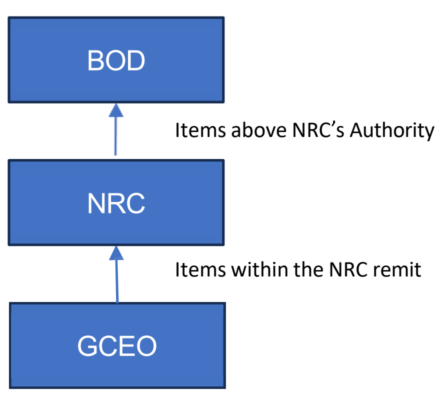
Sr.No.	Area/Function	Responsibilities
		Board, and the Board shall notify the subject Board Member by a letter to be sent by registered mail or electronically to the Board Member's registered address or e-mail recorded in the Company's files and shall address the reasons for the lack of independency. Such Board Member shall provide clarification to the Board within fifteen (15) calendar days from the date of the notification(s). o The Board, in its earliest meeting after the Board Member's response or after the expiry of the fifteen-day period, shall issue a decision confirming whether the Board Member is considered to be independent or not. o Even when such Board Member no longer meets the criteria for independence and such situation does not result in a breach of the minimum requirement for the number of Independent Board Members, the same must be taken into account when establishing Board Committees. o If the minimum percentage of Independent Board Members required to be on the Board is affected, then the Board shall appoint an Independent Board Member to replace that Board Member if the latter has submitted his/her resignation due to lack of independence. o If that Board Member refuses to submit his/her resignation, then the Board shall bring the matter to the general assembly to pass a resolution to approve the appointment of another member to replace his/her or to advertise for the election and appointment of a new member to the Board; i. The Committee shall recommend for appointment of key leadership roles and their remuneration; and

Sr.No.	Area/Function	Responsibilities
		j. Additionally, the NRC shall approve recommendation of directors' fees and committee fees for the Company as appropriate.
2.	People Management	The Committee shall: a. Endorse people policies and procedures applicable to the Company and the Group; b. Endorse organizational design and succession plans and present them to the Board for approval as per the Delegation of Authority; c. Determine the Company's need for qualified staff at the level of Senior Management and Employees and the basis of their selection; d. Review the framework for measuring the Company and the Business units' performance and recommend any changes to the Board for approval as per the Delegation of Authority; e. Review and endorse the results of the scorecard of the Company and the Business Units, the aggregate bonus pool and the methodology for the grant of the annual performance bonus as per the Delegation of Authority; f. Endorse Emiratization targets and oversee and monitor the Company's commitment to Emiratization as part of manpower planning; g. Review and approve any information relating to compensation which is to be included in the Company's annual report, financial statements and/or related material; h. Perform periodic performance reviews of the Company's people department; i. Consider and deal with any significant employment related grievances (after they have been through the prescribed channels) concerning Employees of the Company and its Business Units in accordance with the

Sr.No.	Area/Function	Responsibilities
		Governance Rules and other applicable policies and laws; and k. Periodically review and revise the Board Secretary's job description and duties.
3.	Rewards/Remuneration	The Committee shall: a. Recommend Rewards strategies and guidelines to the Board that are aligned with the overall business objectives of the Company; b. Formulate and annually review the policy on granting rewards/remuneration, benefits, incentives and salaries for Board Members and Employees and make recommendations regarding the general compensation philosophy for the Group, as well as budget for annual incentives to be awarded. This compensation philosophy should motivate the Employees to pursue the long-term growth and success of the Group and establish a fair and transparent relationship between individual performance and rewards; and c. Review and endorse any amendment to the performance incentive policy or the introduction of a new performance incentive policy as per the Delegation of Authority.

5. GOVERNANCE STRUCTURE

The NRC governance structure is as follows:



6. AUTHORITY AND DELEGATION OF THE BOD

6.1 The Committee has authority from the Board to review, address any matter within the scope of its Charter, endorse the matters within its responsibilities and recommendations to the Board in relation to the outcomes.

6.2 The Committee shall have unrestricted access to any information, records, and other resources necessary to discharge its duties and responsibilities.

6.3 The Committee may also require any employee(s) of the Company to attend its meetings, as appropriate for carrying out its duties, unless otherwise directed by the Board.

6.4 The Committee may seek independent professional advice, at the expense of the Company, when such advice is considered necessary to properly fulfil their roles and responsibilities.

7. COMPOSITION

7.1 General

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

7.1.2 The NRC 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 The Chair shall appoint a Secretary from within EMSTEEL or an external expert, as needed.

7.1.4 Members are required to undergo a suitable induction process upon joining and participate in periodic training programs.

7.1.5 Committee membership continues until the BOD decides to replace or remove a member, or when a member resigns, following the terms outlined in section 7.1.7. Alternatively, the term of membership may be set to three (3) years from the date of appointment.

7.1.6 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.

7.1.7 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 is responsible for leading the Committee, ensuring meetings are conducted effectively, and reporting Committee activities to the BOD.

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 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 NRC Committee Chair shall appoint the Secretary.

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

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

7.3.6 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.

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

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

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

8. MEETINGS

8.1 **Meeting Frequency**: The Committee shall meet as frequently as required, as determined by the Committee Chairman, to perform the duties and responsibilities set out in this Charter, and at least once a year.

8.2 **Notice of Meetings**:

a. Meetings of the Committee shall be arranged by the Secretary, at the request of the Committee Chairman. The Group Chief Executive Officer may also request a meeting with the Committee at any time, whenever required.

b. Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each Committee member and to other attendees (as appropriate) in advance of each scheduled meeting date together with an agenda and supporting documentation. The Secretary shall distribute the agenda and supporting documentation at least five (5) business days prior to any scheduled meeting to the members of the Committee to enable full and proper consideration.

8.3 **Attendance and Quorum:** A member of the Committee must attend all meetings and may not be represented in the meetings by a proxy. The quorum necessary for the transaction of business and convening a valid meeting shall be majority of Committee members. Attendance may be either in person, by telephone or video conference. Decisions may be made via circulation and in writing which will be noted or ratified in the subsequent meeting of the Committee.

8.4 **Declaration of Interest:** A Committee member, invitee or advisor who is in any way, whether directly or indirectly, interested in a contract, arrangement or any other dealing, or proposed contract arrangement or dealing, with the Company, or its related parties, shall declare the nature of his interest in accordance with the provisions of this Charter. For the purpose of this Charter, a general notice given by a Committee member/advisor to the other Committee members/advisors to the effect that he is a shareholder or a director of a relevant company or firm, and is to be regarded as interested in any contract, arrangement or dealing, which may, after the date of the notice, be entered into or made with that company or firm, shall be deemed to be a sufficient disclosure of interest in relation to any contract, arrangement or dealing so entered into or made. The Committee members shall be required to disclose information as required by the conflict-of-interest policy of the Company.

8.5 **Decision making:** The Committee shall take decisions by majority votes. Each member of the Committee will have one vote. The Committee Chairman will have a casting vote in case of an equal division of votes. In the event a member of the Committee has abstained from voting and the votes are tied, the matter shall be referred to the Board.

8.6 **Meeting minutes:**

a. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

b. The Secretary shall promptly circulate draft meeting minutes to the members of the Committee for review within Ten (10) working days from the conclusion of the meeting. Meeting minutes shall be signed by all members present and the Secretary and shall be noted by the Committee at the subsequent meeting of the Committee. The Secretary shall promptly communicate decisions taken and resulting action points to the relevant Executives or Senior Management along with deadlines and reporting expectations.

9. CONFIDENTIALITY

All NRC meetings, materials, and deliberations are confidential. Members must adhere to EMSTEEL's confidentiality policies and practices.

10. EVALUATION

10.1 On an annual basis, a structured self-evaluation, as illustrated in Appendix 1, of the Committee's performance shall be conducted to assess:

a. Achievement of objectives.

b. Effectiveness of structure and operations.

c. Adequacy of resources and support.

10.2 Results of the self-evaluation shall be documented and submitted to the BOD.

10.3 The Committee shall conduct an independent assessment at least once every three years.

11. OWNERSHIP AND DOCUMENT MAINTENANCE RESPONSIBILITIES

11.1 **Document Owner**

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

11.2 **Approval Authority**

This Charter must be endorsed by Chair and approved by BOD chairperson before implementation in alignment with EMSTEEL's Delegation of Authority Manual.

11.3 **Document Updates**

a. Any amendments or revisions to this document must be proposed by or submitted to the Corporate Governance Manager in order to ensure compliance with regulatory requirements.

b. Changes should be reviewed by Group General Counsel and GCEO, and routed to the designated authorities outlined in Section 11.2 for approval.

11.4 **Periodic Review**

This document shall be reviewed at least every three (3) years to ensure continued relevance and compliance with updated regulations and corporate needs.

11.5 **Version Control**

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

11.6 **Distribution and Accessibility**

a. The latest version of this document must be made available to all relevant stakeholders through EMSTEEL's Integrated Management System website.

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