

**RULES OF PROCEDURE OF THE
AUDIT COMMITTEE
of the Company
ELASTRON S.A. – STEEL SERVICE CENTERS**

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1. Introduction

The Company's Audit Committee, hereinafter "Committee", operates within the regulatory framework set by Law 3016/2002, Law 4706/2020 and Law 4449/2017, as amended, as well as the relevant circulars of the Hellenic Capital Market Commission with protocol numbers 1302/28.04.2017 and 1508/17.07.2020.

The Committee is established by a decision of the General Meeting of Shareholders or is appointed by the Board of Directors when it is one of its committees, and has as its main objective the support and assistance of the Board of Directors for the fulfilment of its mission regarding the Financial Information process, Internal Audit System, Risk Management System, the Internal Audit Unit and the External Audit supervision.

2. Members and Term of Office of the Audit Committee

The Committee consists of at least three (3) members and may consist of:

- committee of the of the Board of Directors, which consists of non-executive members of the Board of Directors, or
- independent committee, which consists of non-executive members of the Board of Directors and third parties, or
- independent committee, which only consists of third parties

The type of the Committee, the duration, the number, and the attributes of its members are decided by the General Meeting of shareholders. As third party means every person who is not member of the Board of Directors and as attribute means the attribute that they have as members of the Board of Directors meaning as non-executive member or independent non-executive member or as third party.

Regarding the election of the Audit Committee members, in case that the General Meeting decides the Audit Committee to form committee of the Board of Directors, the members of the Audit Committee are elected by the Board of Directors. In case that the General Meeting decides the Audit Committee to form an independent mixed committee, consisted of at least one member of the Board of Directors and third parties, the same General Meeting, as the supreme body, elects all the Audit Committee's members, or elects only the third parties as Audit Committee's members and authorize the Board of Directors to elect the rest members according to the respective law. In case that the General Meeting decides the Audit Committee to form an independent mixed committee and the same General meeting elects all audit committee's members, the Board of Directors is committed to render the attribute of non-executive member in the specific person or persons that the General Assembly elected.

In any case, the majority of the members of the Committee consist of members who meet the conditions of independence determined in accordance with the provisions of article 9 of law 4706/2020.

All members of the Committee have sufficient knowledge in the field in which the Company operates, while at least one independent member who has sufficient knowledge and experience in auditing and accounting is required to attend the meetings of the Committee concerning the approval of the financial statements.

The Chairman of the Committee is appointed by its members and is independent of the Company. The term of office of the members of the Committee follows the term of office of the Board of Directors.

The General Meeting decides for the duration of the Audit Committee. The General Meeting may decide to prolong the maturity the latest until the next General Meeting and in any case during the same calendar year.

In case that the Board of Directors decides for the replacement of a Board of Directors' member which is also member of the Audit Committee, the next General Meeting:

- i) If the Audit Committee is committee of the Board of Directors, it is not obligatory to decide for the appointment of the above-mentioned person as member of the Audit Committee, because the decision will be taken by the General Meeting
- ii) If the Audit Committee is independent mixed committee, it is required to receive decision for the appointment of the above-mentioned person as member of the Audit Committee or to authorize the Board of Directors to take the decision for the appointment.

In case that the Board of Directors replace a member of the Audit Committee, the Audit Committee must assemble into body and elect its president. When the Audit Committee is a committee of the Board of Directors, its not allowed by the Board of Directors to replace a member of the Audit Committee by electing a third party because this will affect the type and the composition that the General Meeting has decided.

3. Obligations and Responsibilities of the Audit Committee

With respect to the responsibility that the Board of Directors have, the Audit Committee, according to the paragraph 3 of the article 44 Law 4449/2017 shall:

- Informs the Board of Directors for the results of the external audit and the accuracy of the financial information and which is the role of the Audit Committee in this process
- Reviews the process of the financial information and submits recommendations and propositions that assure its accuracy
- Reviews the effectiveness of the Internal Audit Systems, and assure the quality of the risk assessment process and more specific the Internal Audit Unit, regarding the financial information without violating its independence
- Reviews the external audit of the individual and consolidated financial statements and mainly its performance by considering every report and conclusion of ELTE according to the ar. 26 of the (EE) 537/2014 and the par. 5 of the article 44 of the Law 4449/2017.
- Reviews the independence of the external auditors and of the audit company according to articles 21, 22, 23, 26 and 27, as well as the article 6 of the (EE) 537/2014 mainly regarding the non-audit services provided to the company.
- Is responsible for the procedure regarding the election of the external auditors and proposes the external auditors to the Board of Directors that will be appointed according to the ar. 16 of the (EE) 537/2014.
- Composes rules of procedures that is uploaded in Company's website.
- Submits the annual activity report of the Audit Committee to the General Meeting. In this report it is mentioned the sustainability policy followed by the company.
- Proposes improvements and changes in the rules of procedures that the company holds regarding the issues of its jurisdiction.

3.1 External Audit

- 3.1.1 Monitors and evaluates the performance of the Certified Public Accountants and receives a report from the Certified Public Accountant on the audit findings. Conducts meetings with the Certified Public Accountant of the Company, without the presence of the members of the Management at least twice a year. Submits proposals to the Board of Directors regarding the appointment of the Certified Public Accountants, the approval of their remuneration and monitors the selection process.
- 3.1.2 Ensures the independence of the Certified Public Accountant and the objectivity and efficiency of the audit process.
- 3.1.3 Examines the possibility of the provision of non-audit services by Certified Public Accountants.
- 3.1.4 Informed by the Certified Auditor-Accountant on the annual mandatory audit plan before its implementation. It conducts its evaluation and ensures that the annual mandatory audit plan covers the most important areas of audit, taking into account the main areas of the business and financial risk of the Company.
- 3.1.5 Monitors the statutory audit of the annual and consolidated financial statements and in particular its performance, taking into account any findings and conclusions of the competent authority, in accordance with paragraph 6 of Article 26 of EU Regulation no. 537/2014. In this context, it informs the Board of Directors by submitting a relevant report on the issues that arose from the performance of the mandatory audit, explaining in detail:
 - i. the contribution of the statutory audit to the quality and integrity of the financial information, i.e. to the accuracy, completeness and correctness of the financial information, including the relevant disclosures, approved by the Board of Directors and made public,
 - ii. the role of the Committee in the procedure under (i) above, i.e. recording the actions taken by the Committee during the statutory audit process.
- 3.1.6 Takes into account the content of the supplementary report, submitted by the Certified Public Accountant, which contains the results of the statutory audit carried out and meets at least the specific requirements in accordance with the relevant regulatory framework (Article 11 of EU Regulation No 537/2014 of the European Parliament and of the Council as of 16 April 2014) and informs the relevant Board of Directors of the Company.
- 3.1.7 Finally, the Committee, whenever it deems appropriate, submits proposals on other important issues.

3.2 Financial Information Process

- 3.2.1 The Committee is being informed about the procedure and the schedule of preparation of the financial information and other disclosed information (e.g. stock exchange announcements, press releases, etc.) by the Management and monitors, examines and evaluates the process of preparation of financial information, i.e. their production mechanisms and systems, as well as the flow and dissemination of financial information produced by the involved organizational units of the Company.
- 3.2.2 Informs the Board of Directors of its findings on essential issues in its areas of responsibility, submits proposals to improve the process, if deemed appropriate and monitors the response of the Company's Management to them.
- 3.2.3 Takes into account and examines the most important issues and risks that may have an impact on the financial statements of the Company, as well as the significant judgments and estimates of the Management during their preparation.

- 3.2.4 The following are indicative issues that are being examined and evaluated in detail by the Audit Committee to the extent that they are important for the Company, indicating specific actions on them during the briefing process of the Board of Directors:
- Evaluation of the Going Concern Assumption
 - Assess the important judgements used in the preparation of the financial statements.
 - Valuation of assets at fair value.
 - Assessment of asset recoverability.
 - Accounting for acquisitions.
 - Adequacy of disclosures about the significant risks encountered by the Company.
 - Significant transactions with related parties.
 - Significant unusual transactions.
- 3.2.5 The communication between the Committee and the Certified Public Accountant in view of the preparation of the audit report and the supplementary report of the latter to the Committee must be substantial.
- 3.2.6 In addition, the Committee reviews the financial reports (Annual and Semi-Annual) before their approval by the Board of Directors, in order to assess their completeness and consistency in relation to the information presented, as well as the accounting principles applied by the Company and informs the Board of Directors accordingly.

3.3 Procedures concerning Internal Control Systems, Risk Management Systems and the Internal Control Unit

Regarding the operation of the Internal Control System, the Committee:

- 3.3.1 Examines and notifies to the Board of Directors cases of conflicts of interest.
- 3.3.2 Monitors, examines and evaluates the adequacy and effectiveness of all the policies, procedures and safety valves of the Company regarding on the one hand the internal control system, and on the other hand with regard to the quality assurance and the risk management assessment, in relation to the financial information.
- 3.3.3 Monitors the effectiveness of internal control systems mainly through the work performed by the internal control unit and the work of the certified auditor-accountant.
- 3.3.4 The Committee reviews the management of the main risks and uncertainties of the Company and also performs their periodic review. In this context, it evaluates the methods used by the Company for the identification and monitoring of risks, the treatment of the main ones through the internal control system and the internal control unit as well as their proper disclosure in the respective financial information.
- 3.3.5 Examines the existence and content of those procedures, according to which the Company's personnel will be able, in confidentiality, to express their concerns about potential illegalities and irregularities in matters of financial information or other issues related to the operation of the company. The Committee must ensure that the procedures are in place to effectively and independently detect such issues, as well as to address them properly.

Regarding the operation of the Internal Control Unit, the Committee:

- 3.3.6 Evaluates the staffing and organizational structure of the Internal Control Unit and identifies any respective weaknesses. It also monitors and inspects the proper functioning of the Internal Control Unit in accordance with professional standards as well as the current legal and regulatory framework and evaluates the overall work, adequacy and effectiveness of the Committee, without however affecting its independence. If appropriate, the Committee shall submit proposals to the Board of Directors, so that the Internal Control Unit has the necessary means, is adequately staffed

and with sufficient knowledge, experience and training, has no restrictions or limitations on its work and possesses the required independence. Therefore, the appointment and dismissal of the head of the internal control unit is proposed by the Audit Committee to the Board of Directors. In the same context, the Committee determines and examines the rules of procedure of the Company's internal control unit.

3.3.7 Approves the annual audit plan submitted by the Internal Control Unit and is prepared based on the risk assessment and the results of previous audits. Provides an opinion on the preparation of the annual audit plan and suggests the conduct of extraordinary audits. Guides the Internal Control Unit so that it operates in accordance with the current legislation and the relevant circulars as well as in accordance with the International Standards of Internal Control, ensuring the independence and the efficiency of its operation.

3.3.8 Evaluates the performance of the Internal Control Unit and receives every quarter at least a report with the results of the audits performed and presents it together with its own observations to the Board of Directors.

3.3.9 Evaluates the requirements of the necessary resources submitted by the Internal Control Unit, as well as the consequences that may emerge from limiting the resources or the audit project in general.

3.3.10 Holds regular meetings with the Internal Controllers to discuss issues of their responsibility, as well as problems arising from internal controls.

3.3.11 Takes knowledge of the work of the internal control unit and its reports (regular and extraordinary) and monitors the briefing of the Board of Directors regarding their content, and in relation to the financial information of the Company.

3.3.12 Overviews the disclosed information regarding the internal control and the main risks and uncertainties of the Company in relation to the financial information.

3.3.13 With regard to the outcome of all the above actions, the Committee informs the Board of Directors of its findings and submits proposals for the implementation of corrective actions, if deemed appropriate.

It is emphasized that the following apply to the above paragraphs 3.1, 3.2 & 3.3:

- The Committee has unhindered and full access to the information, records and data needed in the exercise of its responsibilities and has the resources necessary to carry out its work, including the use of external consultants.
- It is information to keep all the necessary information, including the minutes of the meetings of the Committee, in which its actions and their outcome are recorded, when it comes to the implementation of its work.
- It is necessary to submit reports of the Committee to the Board of Directors regarding its areas of responsibility with reference to the areas that the Audit Committee, after the completion of its work, considers that there are essential issues in relation to the financial information provided and to the monitoring of the response provided by the Management to these issues.
- Submits an annual Activity Report to the ordinary general meeting of the Company's shareholders and the Chairman of the Committee informs the shareholders at the annual Ordinary General Meeting about the activities of the Committee based on the aforementioned responsibilities, through the submission of the above Activity Report.
- For the implementation of all the above, the Audit Committee is expected to hold meetings with the Management and the competent executives during the preparation of the financial reports, as well as with the Certified Public Accountant during the stage of planning the audit, during its execution, and also during the stage of preparation of audit reports.

- Participates in the investigation and evaluation of the petitions in the context of the whistleblowing process.

4. Operation of the Audit Committee

4.1 The Committee meets at least six (6) times a year or even extraordinarily, if necessary and keeps minutes of its meetings. Meets the regular auditor of the Company at least two (5) times a year, without the presence of the members of the Management. The Committee may also meet on its own initiative, provided that all its members are present.

4.2 The secretary of each meeting shall be appointed by the Chairman of the Committee.

4.3 A member of the Committee may be represented at its meetings by written authorization only from another member of the same Committee. In this case the Committee meets validly, if at least two of its members are present in person and the third is represented as per above. In any case, all its members must participate or be represented in the meetings of the Committee.

4.4 The decisions of the Audit Committee are taken by an absolute majority of its members.

4.5 The Committee invites to its meetings any person it considers that /she can contribute to its work.

4.6 The Committee reports to the Board of Directors through its Chairman, preparing regular or extraordinary reports and is in constant collaboration with the Company's Internal Audit Unit.

4.7 The Chairman of the Committee convenes its members by invitation, which is notified to them at least five (5) working days before the meeting. The invitation shall state the items on the daily agenda, the date, time and place of the meeting of the Committee. Other items on the daily agenda, which will be sent to the members of the Committee in a period of less than five working days before the scheduled date of its meeting, will be accepted for discussion at the forthcoming meeting only after a unanimous decision made by the members of the Committee. Relevant documents can also be circulated via e-mail.

4.8 The Committee may meet without invitation, provided that all its members are present at the meeting and none of them object to its holding and decision-making.

4.9 The Committee may, by decision of its Chairman, meet by teleconference or telephone conference, in whole or in part. The participation of a member of the Committee in a meeting by video or audio connection will be considered valid for this purpose. The Chairman may also request the Committee to take decisions by exchanging e-mails, faxes or letters.

4.10 The preparation and signing of minutes by all members of the Committee is equivalent to a meeting and a decision, even if no meeting has taken place. The minutes are available to all members of the Committee and also to the Board of Directors.

4.11 The Committee immediately informs the Board of Directors about events that have come to its knowledge and are likely to significantly affect the Company's activities or the adequacy and effectiveness of the Internal Control and Risk Management System.

5. Remuneration of Audit Committee Members

The Management of the Company must ensure that the remuneration of the members of the Audit Committee will take into account, among other things, the complexity-breadth of their work, the real working time required concerning the issues that fall within their responsibilities, the degree of their responsibility and the level of remuneration of the other members of the Board of Directors.

Furthermore, the Management of the Company must ensure the provision of complete and adequate information to each member of the Committee as well as the necessary training for the effective exercise of duties.

6. Evaluation of the Audit Committee

The evaluation of the candidate members of the Audit Committee is carried out by the Remuneration and Nomination Committee dealing with the Candidates for Members of the Board of Directors and the competent corporate body (General Meeting or Board of Directors, depending on the type of Committee) during the election / appointment of its members.

7. Principles of ethics governing the members of the Committee

The members of the Committee, during the performance of their duties, must strictly adhere to the following principles:

- 7.1 Observance of what is defined by the current legislation, the Articles of Association, the Internal Regulation of the Company and the decisions of its bodies.
- 7.2 Advocacy and prevention of damage to the interests of the Company.
- 7.3 Maintaining the confidentiality of information and not exploiting and/or using any confidential and privileged information.
- 7.4 Prohibition of external activities, which could hinder the independent decision-making and lead to conflicts of interest.

8. Amendment / Revision of Rules of Procedure

The Committee examines annually the adequacy of its Rules of Procedure for possible new needs and risks and reassesses the possibility of any amendments or adjustments needed.

Any suggestions for amendment of the Rules of Procedure are submitted to the Board of Directors, either after a proposal made by the Committee or after a special decision of the Board of the Company, which is responsible for approving the amendments to the above mentioned Rules of Procedure of the Committee.

9. Publication of the Committee's Rules of Procedure

The Rules of Procedure of the Audit Committee are posted on the Company's website www.elastron.gr.