

Suitability Policy
of the Members of the Board of Directors
of the Company
ELASTRON S.A. – STEEL SERVICE
CENTERS

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a. Introduction

ELASTRON S.A. - STEEL SERVICE CENTERS, hereinafter "Company" has established the Suitability Policy of the members of the Board of Directors, hereinafter the "Policy", according to what is defined by Law 4706/2020 and Circular no. 60 of 18 September 2020 of the Hellenic Capital Market Commission. The Policy is a set of principles and criteria that are applied at least during the selection, replacement and renewal of the term of the members of the Board of Directors in the context of assessing their individual and collective suitability.

b. Definitions

Individual Suitability: The degree to which a person is considered to have adequate knowledge, skills, experience, judgment independence, moral guarantees and a good reputation for performing his/her duties as a member of the Board of Directors of the Company, in accordance with the eligibility criteria set by the Company Policy.

Collective Suitability: The suitability of the members of the Board as a whole.

Substantial Policy Amendments: Substantial means amendments that introduce deviations or that significantly alter the content of the Suitability Policy, in particular with regard to the principles and criteria applied.

c. Purpose of Policy

The Policy aims at ensuring the quality staffing, efficient operation and fulfilment of the role of the Board based on the general strategy and the medium-term business aspirations of the Company in order to promote the corporate interest.

d. Procedure for drafting, approving, amending and publishing the Policy

Pension

The formulation and drafting of the Policy is done by the Remuneration and Nominations Committee, hereinafter the "Committee", with the effective contribution of the Internal Control Unit.

Approval

The Policy is approved by the Board of the Company (par. 1, Art. 3 of L.4706/2020) and is submitted for approval to the General Meeting of the shareholders of the Company (par. 3, Art. 3 of L.4706/2020). The documentation regarding the approval of the Policy will be kept in a physical or electronic file. The Policy and any substantial amendments to it are valid from its approval by the General Meeting of Shareholders.

Amendment

Amendments to the Policy, if deemed necessary, shall be made by the Committee. Subsequently, they are approved by the Board of Directors and if these are essential, then they are submitted for approval to the General Meeting of the Company's shareholders. Policy changes will be kept in a physical or electronic file.

Disclosure

The current Policy is posted, updated, on the Company's website.

e. Monitoring the suitability and implementation process of the Policy

i. The Company continuously monitors the suitability of the members of the Board of Directors (BoD) in order to identify cases where it is deemed necessary to re-evaluate their suitability. The candidate members of BoD know, among other things, as much as possible, before taking up their position, the culture, the values and the general strategy of the Company.

ii. The monitoring of the implementation / evaluation of the effectiveness of the Policy is under the supervision of the Board. To achieve this goal, the Board accepts the assistance of the Company's Internal Control Unit or the Committee. The documentation regarding the approval of the Policy and any amendments thereto is kept in a file, which can also be electronic. The Company records the results of the evaluation, the suitability and in particular any weaknesses that are identified between the foreseen and the actual individual and collective suitability of the members of the Board and records the measures to be taken to address these weaknesses.

f. Individual Suitability Assessment Criteria

The following criteria apply to all members of the Board regardless of their status as executive, non-executive or independent non-executive:

f.1 Adequacy of knowledge

a. The members of the Board have the required knowledge, skills and experience to perform their duties in view of the role, position and skills required by the Company for their position. The experience covers both practical and professional experience, as well as the theoretical knowledge acquired.

f.2 Adequacy of Skills and experience

a. The practical experience covers the previous positions and the type of employment held by each member, taking into account:

- the length of their stay in the respective position,
- the size of the entity in which they worked,
- the scale and complexity of the business,
- the responsibilities they held in it,
- the number of subordinates and
- the nature of the entity's activities.

All the above criteria demonstrate the adequacy of skills and experience of the members of the Board, that are necessary for the performance of their duties, always depending on the role, tasks and required skills of each position.

- b. The previous work experience of the members of the Board can be either in the industrial sector, the financial, the energy, the commercial and other sectors related to the activity and the operation of the Company.
- c. The executive members of the Board of Directors may have acquired sufficient practical and professional experience either by holding a position of responsibility or through business activity for a sufficient period of time.
- d. In the context of the evaluation of sufficient experience and skills, all the above elements of paragraphs a, b and c will be examined.

It is emphasized that the evaluation of the members is not limited to the simple demonstration of academic degrees or the proof of a specific length of service. During the selection and evaluation of the members, the Committee carries out a thorough analysis of the experience, knowledge, skills and training of the member, as all the above elements are interrelated with the complexity, nature and duties of the member during his/her previous employment.

f.3 Guarantees of Ethics and reputation

Basic elements and principles from which it is considered that the members of the Board are presumably holding such credentials are the following:

- a. Good reputation
- b. Ethos
- c. Honesty
- d. Integrity

For the evaluation of the above principles, the Company may conduct an investigation, without prejudice to the legislation regarding personal data. More specifically, to confirm the above the company has established the following procedures:

- i. The Company may request supporting documents for any final administrative and judicial decisions against a BoD member in particular for infringements and offenses related to his/her capacity as a member of the Board or by non-compliance with the provisions of the legislation of the Hellenic Capital Market Commission or in general with financial crimes. Without prejudice to iii and v below, the assessment may take into account in particular the relevance of the offense to the role of the member, the gravity of the offense, the general circumstances, including mitigating factors, the role of the person involved, the penalty imposed, the stage reached in the legal proceedings and any remedial measures implemented.
- ii. A condition for his/her election or retention of his/her status is that he/she has not issued within one (1) year, before or after the election of the member, a final court decision acknowledging his/her guilt for loss-making transactions of a listed company or a non-listed company of Law 4548/2018, with related parties.
- iii. Each candidate member must submit a Personal Declaration Statement that the above case ii does not occur and each member of the Board of Directors immediately notifies the Company of the issuance of a relevant final court decision.
- iv. A condition for the assignment of management and representation powers of the Company to third parties or for the maintenance of the relevant assignment in force is that it

has not been issued within one (1) year, before or after the assignment of the above powers to them, a final court decision recognizing their fault for loss-making transactions of a listed company or a non-listed company of Law 4548/2018, with related parties.

v. Every candidate third party must submit a Personal Declaration Statement that the above case iv does not exist and every third person to whom management and representation powers have been assigned, notifies the Company without delay of the issuance of a relevant final court decision.

f.4 Conflict of Interest

The relevant Conflict of Interest Policy available to the Company includes procedures for the prevention of conflicts of interest for the members of the Board of Directors and measures for the disclosure and management of conflicts of interest.

f.5 Independent Judgment

Particular importance is given to the independent judgment that the members of the Board of Directors must have, regardless of whether they are independent members or not, according to article 9 of Law 4706/2020. Independence of mind or independence of judgment is one of the most important qualifications set by the Policy, so that members can make impartial, correct, objective and independent decisions in the performance of their duties.

The following are mentioned as necessary behavioural skills in assessing the independence of judgment of the members of the Board:

- a. Courage, conviction and vigour so that they can control the proposals and opinions of the other members of the Board.
- b. The ability to ask reasonable questions to board members and especially to the executive members.
- c. The ability to resist the phenomenon of group thinking.

f.6 Allocation of necessary time

A necessary condition for the exercise of their duties is that the members of the Board devote the necessary time for this purpose. The factors that may affect the time that a member can devote to the performance of his/her duties and which should be taken into account when evaluating members are the following:

- a. The capacity and responsibilities assigned to the member
- b. The number of positions as a member in other board of directors of companies and the resulting qualities held by that member at the same time
- c. The number of committees of the Company in which the member may participate
- d. His/her other professional or personal commitments

The Company informs each candidate member of the Board of Directors about the expected time required to devote to his/her duties and to the meetings of the Board of Directors and any other committees in which he/she participates.

g. Collective Suitability Assessment Criteria

g.1 Criteria for balanced decisions

The goal of the Company is the composition of the Board to be such as to contribute to the effective management of the Company and the balanced decision making. In order to take the appropriate decisions, the BoD should take into account the following factors:

- a. The business model
- b. The willingness to take risks
- c. The strategy of the Company
- d. The markets in which it operates

The number of Board members is sufficient and they have the necessary knowledge to be able to hold a discussion on the decisions to be taken and to be able to present their views regarding:

- The business activity of the Company and the main risks associated with it
- Strategic planning
- The financial reports
- Compliance with the legislative and regulatory framework
- Understanding corporate governance issues
- The ability to identify and manage risks
- The impact of technology on its activity

g.2 Representation by gender & Diversity

- i. The Company has established a representation by gender of at least 25% of the total members of the Board. In case of a decimal then it is rounded to the previous whole. The Company ensures equal treatment and equal opportunities between the genders. This aspect extends beyond the selection of board members to the provision of training to board members.
- ii. The Company encourages diversity in the composition of the Board, so that there is an appropriate level of differentiation, a diverse group of members to ensure a variety of views and experiences with the ultimate goal of making the right decisions. The selection of the members of the Board of Directors will not be excluded due to discrimination based on gender, race, colour, ethnic or social origin, religion or belief, property, birth, disability, age or sexual orientation.

h. Description of the composition and responsibilities of the Board members

The Board of Directors of the company consists of three (3) to fifteen (15) directors. The exact number of members is determined by the General Meeting.

The term of office of the members of the Board of Directors is three years and is extended until the expiration of the term, within which the next ordinary general meeting must convene and until the relevant decision is taken, which cannot exceed four years.

h.1 Executive members:

- are responsible for implementing the strategy set by the Board.

- The non-executive members of the Board of Directors are consulted at regular intervals on the appropriateness of the implemented strategy.
- In cases of crises or risks, as well as when the circumstances require to take measures that are reasonably expected to significantly affect the Company, such as when decisions are to be made regarding the development of the business and the risks that are expected to be taken, and when all these decisions are about to affect the financial position of the Company, then the executive members inform the Board of Directors in writing without delay, either jointly or separately, submitting a relevant report with their estimates and proposals.

h.2 Non-Executive Members:

- Monitor and examine the Company's strategy and its implementation, as well as the achievement of its goals.
- Ensure effective oversight of executive members, including monitoring and controlling their performance.
- Examine and express views on proposals submitted by executive members, based on existing information.

h.3 Independent Non-Executive Members:

- The Independent Non-Executive Members of the Board have the obligations referred to in paragraph h.2 above.
- In the meetings of the Board which have as their subject the preparation of the financial statements of the Company, or whose agenda includes issues for the approval of which a decision is foreseen by the general meeting with increased quorum and majority, according to Law 4548/2018, the Board of Directors is in quorum when at least two (2) independent non-executive members are present. In case of unjustified absence of an independent member in at least two (2) consecutive meetings of the Board, this member is considered resigned. This resignation is ascertained by a decision of the Board of Directors, which replaces the member, according to the procedure of par. 4 of article 9 of Law 4706/2020.
- The criteria based on which a member of the Board is considered independent are defined by article 9 of Law 4706/2020.
- The Independent Non-Executive Members of the Board are not less than 1/3 of the total number of members of the Board and cannot be less than two (2) in accordance with the provisions of article 5 of Law 4706/2020.

h.4 Chairman and Vice Chairman of the Board:

- The Chairman of the Board is a non-executive member.
- In case the BoD, by way of deviation from the above, appoints as Chairman one of the executive members of the Board of Directors, it obligatorily appoints a vice-chairman or vice-chairmen from among the non-executive members.

i. Succession plan of Board members

In case of resignation, death or in any other way loss of the membership or members of the Board of Directors, the other members of the Board of Directors may continue the management and

representation of the Company, taking into account the provisions of article 12 of the Company's Articles of Association concerning the replacement of members. The selection of new members will be carried out in accordance with the provisions of this Suitability Policy.