

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

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a. Introduction

ELASTRON SA - STEEL SERVICE CENTERS, hereinafter the "Company" has established the Rules of Procedure, hereinafter "Regulation", of the Internal Audit Unit in accordance with the provisions of Law 4706/2020 and the Decision 5/204/ 14.11.2000 of the Hellenic Capital Market Commission.

b. Definitions

Internal Audit: Internal Audit is an independent and objective assurance and consulting activity, designed to add value and improve the functions of an organization. It also helps the organization achieve its objectives by adopting a systematic, professional approach for evaluating and improving the effectiveness of risk management processes, internal control systems and corporate governance

Corporate Governance: This is a set of rules that apply and regulate the operation of the Board of Directors, in relation to the company's shareholders. The obligations of companies in matters of corporate governance are defined by Law 4706/2020.

c. Purpose

This Regulation defines the operating framework of the Internal Audit Unit (hereinafter "ICU"), its organizational structure and its obligations.

The Company has ICU which constitutes an independent organizational unit within the Company in accordance with article 15 of Law 4706/2020.

The purpose of the Internal Audit Unit is to monitor and improve the operations and policies of the Company regarding its internal control system.

d. Head of Internal Audit Unit

d.1 Selection criteria and restrictions of the Head of Internal Audit Unit

The head of ICU is appointed by the Board of Directors of the Company, following a proposal made by the Audit Committee and must meet the following criteria:

- i. is a full-time and exclusively employed employee,
- ii. is personally and functionally independent,
- iii. this person is objective in the performance of his/her duties and
- iv. he/she possesses the appropriate knowledge and relevant professional experience.
- v. the Head of ICU reports administratively to the chief executive officer and operationally to the audit committee.
- vi. he/she cannot be a member of the Board of Directors or a member with the right to vote in standing committees of the Company
- vii. and to have close ties with anyone who holds one of the above positions in the Company or in a company of the Group.

d.2 Publication of the appointment of the Head of the Internal Audit Unit

The Company informs the Hellenic Capital Market Commission of any change of the head of the ICU, submitting the minutes of the relevant meeting of the Board of Directors, within a period of **twenty (20) days** from this change.

d.3 Obligations of the Head of the ICU

- a. The head of the internal audit unit provides in writing any information requested by the Hellenic Capital Market Commission, cooperates with this authority and facilitates in every possible way the task of monitoring, controlling and supervision.
- b. The head of the internal audit unit attends the general meetings of the shareholders.

d.4 Conditions for the exercise of the duties

For the exercise of the duties and overall work of ICU, its head has access to any organizational unit within the Company and becomes aware of any element required for the exercise of his/her duties.

d.5 Annual Audit Plan

The head of ICU submits to the audit committee an annual audit plan and the requirements of the necessary resources, as well as the consequences of limiting the resources or the audit work of the ICU generally. The annual audit plan is prepared based on the assessment of the Company's risks, after previously taking into account the opinion of the audit committee.

e. Responsibilities and Obligations of the Internal Audit Unit.

- e.1 The ICU possesses and implements internal operating regulation, which is approved by the Board of Directors, following a proposal made by the audit committee.
- e.2 The number of internal controllers of ICU must be proportionate to the size of the company, the number of its employees, the geographical locations in which the company operates, the number of operating and executive units and the audited entities in general.
- e.3 In particular, for the application of articles 1 to 24 of Law 4706/2020, the ICU must comply with the following:
 - a. the implementation of the operating regulation and the Internal Control System, in particular as to the adequacy and accuracy of the provided financial and non-financial information, risk management, regulatory compliance and the corporate governance code adopted by the Company,
 - b. quality assurance mechanisms
 - c. corporate governance mechanisms and
 - d. compliance with the commitments contained in prospectuses and the Company's business plans regarding the use of capital raised from the regulated market.
- e.4 Prepares reports to the audited units with findings regarding item e.3, the risks arising from their operation and suggestions for improvement, if any.
- e.5 Keeps the minutes of the meetings of the Audit Committee.
- e.6 May provide an effective contribution in shaping and **monitoring** the implementation of the Suitability Policy of the members of the Board of Directors (circular 60 paragraph III, par. 4 of the Hellenic Capital Market Commission).
- e.7 The audit of the legality of the remuneration and all kinds of benefits to the members of the management regarding the decisions of the competent bodies of the Company (article 4, circular EC 5/204 / 14.11.2000).

- e.8 Audit of the Shareholders' Service and Corporate Announcements unit/s (articles 5 & 6 of the circular 5/204 / 14.11.2000 of the Hellenic Capital Market Commission).
- e.9 Audit of the Company's transactions with affiliated companies as well as the Company's relations with companies in the capital of which, members of the Board of Directors of the Company or its shareholders participate with at least 10% (articles 4 of Circular 5/204 / 14.11.2000 of the Hellenic Capital Market Commission).
- e.10 The reports herein, after incorporating the relevant views of the audited entities, the agreed actions, if any, or the acceptance of risk of non-action taken by them, and the limitations concerning the scope of the audit if any, the final internal control proposals and the results of the response of the audited units of the Company to its proposals, are then submitted quarterly to the audit committee.
- e.11 Submits reports to the audit committee at least every three (3) months, including the most important issues and proposals, regarding the tasks of items e.3 and e.4 as per above, which the audit committee presents and submits together with its remarks to the Board of Directors.