

APPROVED BY:
Board of Directors

Approved: September 29, 2022

STATUTE OF THE AUDIT AND RISK COMMITTEE



1. PURPOSE

The purpose is to attend the Board of Directors of Corporación Aceros Arequipa S.A. in the performance of its monitoring responsibilities for the process of issuing Financial Statements, the internal control system relating to said statements, the audit process and the process of Corporación Aceros Arequipa S.A. and its affiliates (hereinafter CAASA) to monitor the compliance with the laws and regulations, internal rules, the Code of Ethics and the Code Against Acts of Fraud and Corruption.

2. AUTHORITY

CAASA's Audit and Risk Committee (hereinafter Committee) has the authority to conduct or authorize investigations and internal or external audits of any matter within its scope of responsibility.

It is empowered to:

- a. Request and approve the recruitment of advisors, accountants, lawyers, or other external services to advise the Committee or assist it in investigating, or in the exercising its functions, either on its own initiative or as proposed by the Internal Audit Manager. Additionally, the Committee will approve their fees and expenses with the knowledge of the Board of Directors and will supervise the contracted services.
- b. Search for any information required about employees or third parties.
- c. Meet with CAASA authorities, external auditors and/or external advisors, if necessary.

3. COMMITTEE COMPOSITION

This Committee will be composed of at least three (03) and no more than five (05) members, who must be representatives of the Board of Directors and independent from Management. The appointment of its members and its Management will be made by the Board of Directors with the same frequency with which it is elected. However, substitutions may be made at the time the Board of Directors deems appropriate.

Persons who are part of the CAASA administration may not be appointed as Committee members. The Committee members must have financial and accounting knowledge.

The Internal Audit Manager will act as Committee secretary, who, at the request of the Committee Chairman, will convene the meetings of the Committee, prepare, and deliver the meeting agendas at least five (05) business days in advance, together with the appropriate informative material, and will prepare the minutes of the meeting.

The General Manager of CAASA or another manager considered by the Committee as participant, will attend the Committee with voice but no vote. Likewise, invitations may be made to third parties deemed appropriate by the Committee. The Chairman of the Board of Directors may participate in the Committee at his discretion.

The Committee may request the CAASA administration to recruit the required advisors, which will be done in accordance with the CAASA recruitment rules and policies.

4. MEETINGS AND QUORUM

Ordinary meetings must be held at least every three (03) months, according to a schedule approved by its members. The Committee may not meet or deliberate without the presence of at least two (02) of its members. However, all Committee members are expected to attend each meeting in person or by teleconference or videoconference.

Decisions will be approved by a simple majority of the members present. The Committee may meet extraordinarily when required, to deal exclusively with the topics that have convened its summons.

5. RESPONSIBILITIES

The Committees' responsibilities are:

5.1. Financial Statements

- Review meaningful situations of accounting purposes and the issuance of financial reports, including complex or unusual transactions, as well as regulatory and accounting pronouncements that, if implemented, may affect any item of the financial statements.
- Review the financial statements before they are presented to the Board of Directors and the Shareholders' Meeting and ensure the adoption and compliance with International Financial Reporting Standards.

5.2. Internal Control and Risk Management

- Monitor that CAASA has an effective internal control system.
- Monitor that the administration implements policies and procedures that ensure an appropriate risk management, that is, that they have been identified and that the related controls are adequate, in force and effective.
- Define comprehensive risk management policies.
- Participate in the analysis and definition of the comprehensive risk management model, including the comprehensive risk map.
- Ensure compliance with the Corporate Policies approved by the Board of Directors.
- Monitor the Comprehensive Risk Management periodically, and report it to the Board of Directors, particularly the financial risks to which CAASA is exposed and the actions taken by Management to monitor and control such exposures.
- Consider the effectiveness of CAASA's internal control over annual and interim financial information, including information technology security and control.
- Ensure compliance with the Corporate Policy for Internal Control and Risk Management, the Code of Ethics and the Code Against Acts of Fraud and Corruption
- Implement and monitor the proper operation of a confidential and independent complaints and suggestions system, accessible to all CAASA employees, clients, suppliers, or external persons in general.

5.3. Internal Audit

- Select, hire and, if applicable, remove or replace the Internal Audit Manager
- Review and approve the Internal Audit Statute and the structure of the Internal Audit Management.
- Issue guidelines that serve as input for the development of the annual audit plan.
- Approve the annual audit plan and monitor compliance.
- Know and decide on the findings made by the Internal Audit Management and by the External Auditors. Ensure their incorporation into improvement plans and monitor their implementation by the CAASA administration.
- Review and assess the functions of CAASA's Internal Audit Management, including its independence, budget, staff, and performance, and recommend changes or improvements in this regard.
- Ensure that the Internal Audit Management has sufficient resources for the fulfillment of the tasks entrusted to it.
- Evaluate and monitor the management of the Internal Audit Management.
- Request the execution of investigations or special works, if required.
- Evaluate the effectiveness and efficiency of the audit activity, in compliance with the regulations for the professional practice of internal audit.

5.4. External Audit

- Review the results of the assessment carried out by the Internal Audit Management for the hiring of the External Auditor. Based on the results of the review, the recruitment of the selected firm will be proposed to the Board of Directors and the Shareholders' Meeting.
- Review and approve the Work Plan of the external auditors.
- Review the scope and approach proposed by the external auditors, including the coordination of the audit effort with the Internal Audit Management.
- Monitor the work of the External Auditor through the Internal Audit Management.
- Review and confirm the independence of the external auditors by obtaining their statements regarding their relationship with CAASA.

5.5. Compliance

- Review the effectiveness of the control system to monitor compliance with laws and regulations, as well as the results of the investigation and management monitoring (including disciplinary action) of any non-compliance cases.
- Review the findings of any inspection by regulatory bodies (Superintendence of Tax Administration - SUNAT, Ministry of Labor - MINTRA, Superintendency of Markets and Securities - SMV, among others) and any observations made by auditors in general.
- Review the process developed to disclose and internalize the Code of Ethics and the Code with Acts of Fraud and Corruption, and to monitor their compliance.
- Request regular updates from the General Management and the Legal Affairs Management regarding significant non-compliance cases.
- Supervise the implementation and operation of the Crime Prevention and Detection Model that may generate civil and/or criminal liability on the part of CAASA.

5.6. Reporting Responsibilities

- Report periodically to the Board on activities, issues, and recommendations related to the Committee. In particular, the Committee will report to the Board of Directors on any matter that may arise regarding the integrity or reasonableness of CAASA's financial statements, and on CAASA's compliance related to legal and regulatory issues.
- Provide an open channel of communication between the Internal Audit Management, the external auditors, and the Board of Directors.
- Report to the Board of Directors annually, describing the way in which the Committee is comprised, its responsibilities and the way they were fulfilled.

5.7. Other responsibilities

- Carry out other activities related to this Statute as requested by the Board of Directors.
- Evaluate the performance of the Committee and each of its members on a regular basis.

- It is the responsibility of CAASA's Management to prepare financial statements in accordance with International Financial Reporting Standards, and of the External Auditors to audit said financial statements. The responsibility of the Audit Committee is to supervise and review. The Audit Committee does not provide any expert assurance or any other special assurance on such financial statements regarding compliance with laws, regulations, or generally accepted accounting principles.

6. COMMITTEE CHAIRMAN

The Committee Chairman will be appointed by the Board of Directors.

7. TECHNICAL SECRETARIAT

The Secretary of the Committee will be the Internal Audit Manager, who will have the following responsibilities:

- At the request of the Committee Chairman, or when the Internal Audit Manager deems it necessary, convene the Committee meetings at least five (05) business days in advance.
- Promote the periodic review of the Committee activities and suggest modifications and adoption of best practices.
- Maintain a planned schedule of the Committee meetings, detailing all the activities required by it, for the implementation of the tasks and responsibilities assumed.
- Facilitate the distribution of the material required by the Committee members.
- Recommend educational or information presentations that could be useful to the Committee for the development of its functions.
- Send information on practices and new trends of the activity of Internal Audit and the Audit Committee.
- Draft the Minutes with the agreements of its meetings, which will be approved by the Committee and signed by all the members attending the Committee sessions. The consecutive number, meeting date, attending, and invited members, summary of the topics discussed, and decisions or recommendations adopted will be entered in the Minute.

- Keeps track of the minutes of the Audit and Risk Committee.
- If the Internal Audit Manager does not attend a committee session, another member of the Committee will act as secretary.

8. REMUNERATION

The members of the Committee will not receive additional remuneration to their per diem as a member of the Board of Directors.

9. REPORTS

CAASA's Audit and Risk Committee must issue a report to the Board of Directors each time they gather. Additionally, they must present a report of the work accomplished at the end of their period.

To rule upon the proper presentation and disclosure of the interim and annual financial statements.

The foregoing does not exempt the Audit and Risk Committee from presenting periodic reports to the Board of Directors when required.

10. VALIDITY PERIOD

This Statute (formerly, Manual of the Audit and Risk Committee of Corporación Aceros Arequipa S.A.) has been approved by the Board of Directors at its July 2013 meeting and modified at the Board meeting of September 29, 2022. This Statute enters in force on the date of its approval and will be reviewed and updated when the Board of Directors or the Audit and Risk Committee identifies any substantial change in its content.