

## 1. INTRODUCTION

### Company profile

The Company AEGEAN AIRLINES SA ("the Company" or "AEGEAN") is a Societe Anonyme with the distinctive title AEGEAN AIRLINES, which in international transactions bears the name Aegean Airlines.

The Company is active in the field of air transport, providing services related to the transport of passengers and goods, within and outside the Greek territory, with regular or charter flights, at short and medium distances.

### Object of the Internal Rules of Operation

The current Internal Rules of Operation of the Company were drafted based on the Articles of Association and the organization chart of the Company, taking into account the current corporate and stock market legislation.

The website contains the summary of the Internal Rules of Operation, however the full version has been submitted to the Hellenic Capital Market Commission and is available upon request.

The Internal Rules of Operation contain a register of the principles and policies applied by the Company, including the principles that govern the Company's Internal Control System and aim to ensure the Company's compliance with applicable laws, regulations, provisions of supervisory authorities, provisions for Corporate Governance in public limited companies with shares or other transferable securities, listed on a regulated market in Greece. as well as the provisions governing the organization and operation of public limited companies as in force.

The summarized Internal Rules of Operation published on the corporate website include briefly, among others:

- The organizational structure of the Company, the divisions, the Committees of the Board of Directors as well as the mission of the departments / divisions,
- The main features of the Corporate Governance System and the System of Internal Control including the operation of the Internal Audit department and the department of Risk Management and Regulatory Compliance,
- Summary of the procedure for recruiting senior executives and evaluating their performance,
- The compliance procedure of persons holding managerial duties, pursuant to Articles 2, 3, 19 of Regulation (EU) 596/2014,
- The procedure of notifying the existence of dependent relations of the independent non-executive members of the Board of Directors and the persons who have close relations with these persons,
- The procedure of compliance with the obligations arising from related party transactions,
- The policy and procedure for the prevention and treatment of conflict of interest situations,
- The policy and procedure for the compliance of the Company with the legislative and regulatory provisions that regulate its organization and operation, as well as its activities,
- The procedure related to the management of privileged information and the proper notification of the public,
- The policy and procedure of communication with the shareholders,
- The policy and procedure for the periodic evaluation of the Internal Control System,
- The training policy of the members of the Board of Directors, as well as the executives of the Company,
- The ESG policy, whistleblowing and risk management policy.

## 2. VALIDITY AND APPLICATION OF THE RULES OF PROCEDURE

### Validity of the Internal Rules of Operation

This Internal Rules of Operation was approved and initially entered into force with the decision of the Company's Board of Directors dated 31.03.2007. It was revised with the 31.08.2018 decision of the Board of Directors of

the Company, with the decision of the Board of Directors of 22.04.2019 and then with the decision of 14.07.2021 of the Board of Directors of the Company and since then it is valid as follows.

#### **Field of application – Obligation to comply with the Internal Rules of Operation**

The Internal Rules of Operation of the Company constitute a network of binding principles and rules of conduct for:

- The members of the Board of Directors
- The Chief Executive Officer, Directors and Managers
- Company's staff, as well as
- Company's associates who provide their services with a contract for the provision of independent services, in the case of a partnership, based on a special relationship of trust or if their cooperation agreement with the Company, is explicitly subject to this Regulation.

All of the above will be referred to hereinafter as the "Obligated Persons".

The organization of the Company as described in this regulation binds the Company and the obligated persons and is amended only by amending this Regulation.

The Obligated Persons must diligently fulfill their specific duties within their organizational position (or the terms of their cooperation with the Company, in terms of external partners), as specified in their contract with the Company (employment or service contract). independent services), the Articles of Association and the decisions of the Board of Directors of the Company.

#### **Approval and amendment of the Regulation**

This regulation enters into force with its approval by the Board of Directors of the Company.

In case of restructuring of the Company's activities, of the individual Divisions or modification of the responsibilities, a change is made to the Internal Rules of Operation only by approval of the Board of Directors.

#### **Violation of the Regulation**

Non-compliance of the above obligated persons with the Regulation, will be reported by the Internal Audit Department to the Board of Directors and points out the sanctions provided by the current legislation.

### **3. COMPANYS ORGANIZATIONAL STRUCTURE**

#### **Organizational Principles**

##### **(a) Clear segregation of duties**

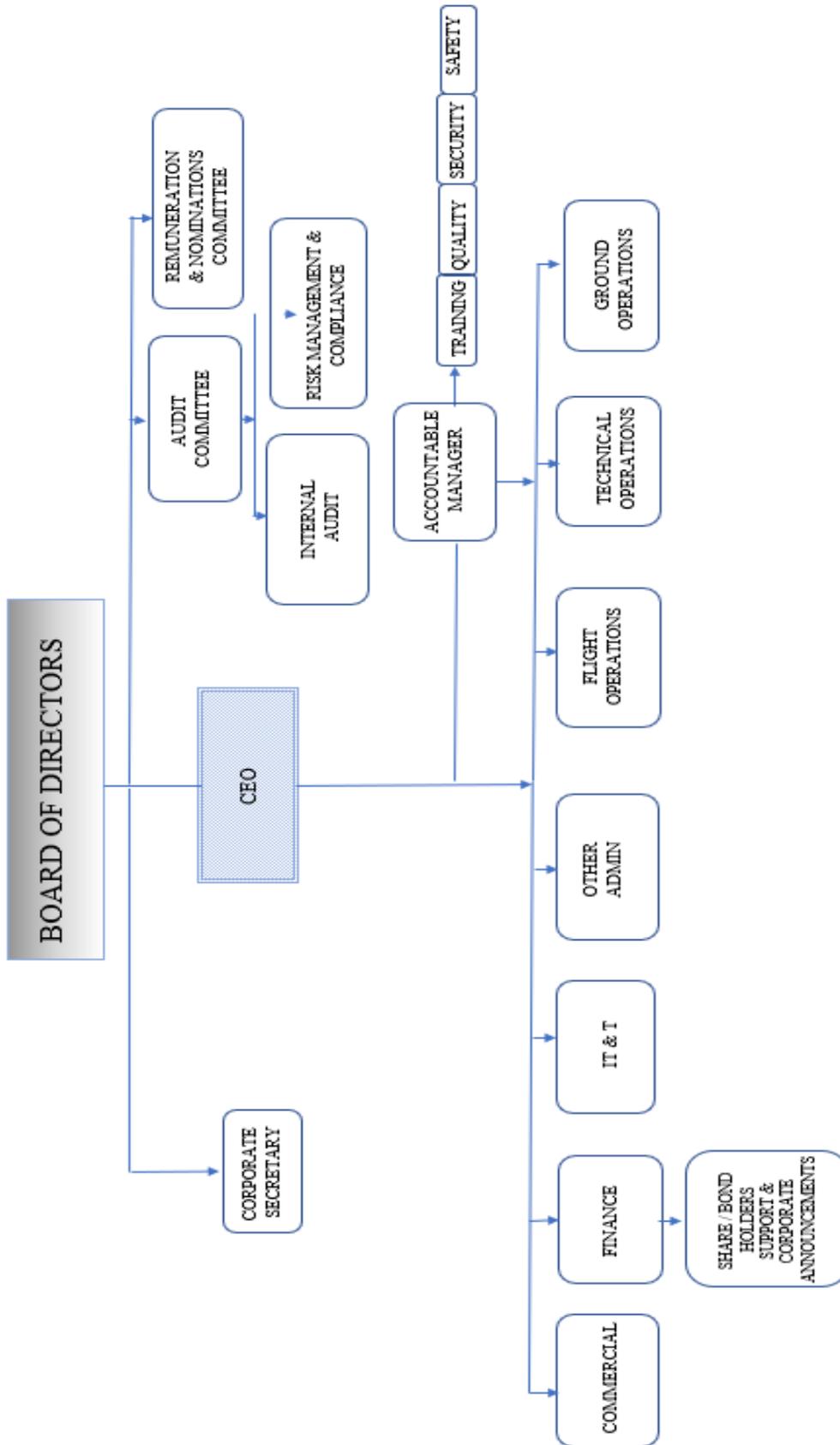
The Company is organizationally distinguished in divisions, with clear and specific tasks. The number of divisions, the tasks and the basic responsibilities of each division may be adjusted (with a corresponding amendment of this Regulation) by decision of the Board of Directors or the General Meeting of the Shareholders, according to the needs of the Company, and by taking into account the Articles of Association.

##### **(b) Hierarchical organization of staff**

Through the hierarchical classification, the supervision of the activities of the Company is ensured, as well as the guidance of the subordinates by their Supervisors.

#### **Organization chart of the Company**

Below is the organizational chart of the Company. Based on its strategic priorities and activities, the Company is managed by the Board of Directors and the Chief Executive Officer ("CEO").



#### 4. MANAGEMENT OF THE COMPANY

##### **General Meeting of the Shareholders**

The General Meeting of Shareholders is the supreme body of the Company and is entitled to decide in general on each corporate case. Its legal decisions oblige both absent and dissenting shareholders. In particular, the General Meeting of the Shareholders is the only competent body to decide on:

- (a) Any matter submitted to it by the Board of Directors or by the beneficiaries in accordance with the provisions of the Law or the Articles of Association of the Company to cause its convening.
- (b) Amendments to the Company's Articles of Association.
- (c) The election of the members of the Board of Directors.
- (d) The approval or reform of the annual financial statements prepared by the Board of Directors and the distribution of net profits.
- (e) The approval of the overall management of the Board of Directors and the release of auditors from any liability after the adoption of the annual financial statements.
- (f) The approval of the remuneration policy, the remuneration report and the approval of the suitability policy of the members of the Board of Directors.
- (g) The hearing of the chartered accountants regarding the audit of the books and accounts of the Company, which they have performed.
- (h) The issuance of bond loans.
- (i) The appointment of liquidators in case of dissolution of the Company.
- (j) The initiation of a lawsuit against members of the Board of Directors or the auditors, for breach of their duties arising from the Law and the Articles of Association.

##### **Board of directors**

##### **Election - Composition**

According to the Company's Articles of Association, the Board of Directors consists of seven (7) to fifteen (15) members. The Board of Directors is elected by the General Assembly for a three-year term, which is extended until the end of the term within which the next Ordinary General Meeting must convene after the end of its term and until the relevant decision is taken. In any case, the term of office, may not exceed four years.

The Board of Directors consists of executive, non-executive and independent non-executive members. The executive members are employed by the Company or provide services to it by exercising management duties and are responsible for promoting all corporate issues. The non-executive members of the Board of Directors do not exercise managerial duties in the Company.

In addition to the above, the Board of Directors consists of independent non-executive members, who are elected by the General Meeting or appointed by the Board of Directors of the Company and are not less than one third (1/3) of the total number of its members and, however, not less than two (2).

For the election of its members, the Board of Directors posts on the Company's website twenty (20) days at the latest before the general meeting, in the context of its relevant proposal, information regarding each candidate member, regarding the following: a ) The justification of the candidate member's proposal, b) The detailed curriculum vitae of the candidate member, which includes in particular information about his current or previous activity, as well as his participation in management positions of other companies or his participation in other boards and committees of Boards of directors of legal entities, c) The determination of the suitability criteria of the candidate members of the Board of Directors, in accordance with the suitability policy of the Company.

The Company within twenty (20) days from the formation of the Board of Directors, or in any case of replacement of a member of the Board of Directors who for any reason has been dismissed submits

to the Hellenic Capital Market Commission the minutes of the General Meeting elected by the Board members and / or the minutes of the Board of Directors for its formation in a body or for the temporary election of a member, in order to check the observance of the provisions of the law.

### **Responsibilities of the Board of Directors**

The Board of Directors acting collectively has the administration and management of corporate affairs. It decides in general on every issue that concerns the Company and acts every action except those for which either by Law or by the Articles of Association the General Meeting of shareholders is responsible. Indicatively and not restrictively, the Board of Directors:

- Defines and supervises the implementation of the corporate governance system in accordance with the provisions for Corporate Governance of law 4706/2020.
- Ensures the adequate and efficient operation of the Internal Control System.
- Represents the Company at and out of court.
- Generally, carries out and executes any transaction, contract and related transaction, which is necessary or expedient to achieve the goals of the Company.
- Carries out an annual self-assessment.
- Updates and maintains posted, throughout the term of office of each member the detailed CV of the members of the Board of Directors.
- Ensures that the articles of association, codified in its current form, is posted on the Company's website.

### **Obligations of members of the Board of Directors**

#### **Corporate Interest**

The members of the Board of Directors must act with the aim of continuously pursuing the strengthening of the long-term financial value of the Company and the promotion of the corporate interest in general.

#### **Conflicts of interest**

The members of the Board of Directors must refrain from pursuing their own interests that are contrary to the interests of the Company. Each member of the Board of Directors is not entitled to vote on issues in which there is a conflict of interest with the Company itself or persons with whom it is associated under paragraph 2 of article 99 of Law 4548/2018.

It is prohibited to the members of the Board of Directors who participate in any way in the management of the Company, as well as in its directors, to act, without the permission of the General Meeting or the relevant provision of the articles of association, on their own account or on behalf of third parties, acts subject to the purposes of the Company, as well as to participate as general partners or as sole shareholders or partners in companies that pursue such purposes.

#### **Chairman of the Board of Directors**

- Determines the issues of the agenda, convenes a meeting of the members of the Board of Directors and chairs its meetings.
- The same or with special authorization from the Board of Directors, a member of it or an employee of the Company who has any relationship with it or a lawyer of the Company:
  - Represents the Company in court and out of it and represents it before any authority.
  - To raise and oppose lawsuits and to exercise legal remedies, to appoint proxies and to carry out any judicial or extrajudicial act protecting the interests of the Company. These acts are immediately submitted to the Board of Directors for approval.
- Assumes all responsibilities assigned to him by the Board of Directors and signs each contract of the Company based on the relevant authorization given to him.

**Vice – Chairmen of the Board of Directors**

- The Board of Directors elects up to two (2) Vice-Chairmen, namely the Vice-Chairman A 'and the Vice-Chairman B', both non-executive members of the Board.
- The Vice Chairman A' replaces the Chairman of the Board of Directors in terms of the responsibilities provided by the Articles of Association, when he is absent or disabled, while in case of absence or incapacity of the Vice Chairman A', the Chairman when absent or disabled, is replaced by the Vice Chairman B' for the exercise of the above responsibilities.
- Each Vice Chairman assumes all responsibilities assigned to him by the Board of Directors.

**Executive Members of the Board of Directors**

The executive Members of the Board of Directors are responsible for the implementation of the strategy set by the Board of Directors.

**Non - Executive Members of the Board of Directors**

The non-executive members are in charge of supervising the corporate activities and are able to have an unbiased global view, as well as to express objective views on corporate affairs.

**Independent non - executive Members of the Board of Directors**

Independent non-executive members of the Board of Directors must be free from financial, business, family or other dependent relationships, which can influence their decisions and their independent and objective judgment.

**Dependent relations exist, specifically, at the following cases:**

- When the member receives any significant remuneration, in accordance with the Company's Remuneration Policy, or a benefit from the Company, or from an affiliated company, or participates in stock options or in any other remuneration or benefit system related to the return, except for the fee for his participation in the Board of Directors or in its committees, as well as in the collection of fixed benefits within the pension system, including deferred benefits, for previous services to the Company.
- When the member or person, who has close relations with the member, maintains or has maintained a business relationship during the last three (3) financial years before his appointment with the Company, with a Related Party, or with a shareholder who directly owns or indirectly a participation percentage equal to or greater than ten percent (10%) of the share capital of the Company during the last three (3) financial years prior to its appointment, or a related company, if this relationship affects or may affect the business activity of either the Company or the independent member or the person who has close relations with it.
- When the member or person who has close relations to the member:
  - Has been a member of the Board of Directors of the Company or its affiliated company for more than nine (9) financial years in total at the time of his election,
  - Has been a manager or maintained an employment or contract or service relationship or salaried mandate with the Company or with an affiliated company during the last three (3) financial years prior to its appointment,
  - Is related to the second degree by blood or by marriage, or is a spouse or partner who is equated with a spouse, member of the Board of Directors or senior management or shareholder, with a participation rate equal to or greater than ten percent (10%) of the share capital of the Company or its affiliated company,
  - Has been appointed by a certain shareholder of the Company, according to the articles of association, as provided in article 79 of law 4548/2018,

- Represents shareholders who directly or indirectly hold a percentage equal to or greater than five percent (5%) of the voting rights at the general meeting of shareholders of the Company during his term of office, without written instructions,
- Has carried out a mandatory audit in the Company or in a company affiliated with it, either through a company or himself or his relative up to the second degree by blood or by marriage or his spouse, during the last three (3) financial years before his appointment.
- He is an executive member in another company, in the Board of Directors of which an executive member of the Company participates as a non-executive member.

**Remuneration, allowances and other benefits**

The salaries and any other compensations of the executive and non-executive members of the Board of Directors are determined in accordance with Law 4548/2018 and the Remuneration Policy of the Company.

**Committees****Audit Committee****Formation of the Committee**

The Audit Committee consists of at least three (3) members. The members of the Audit Committee are by an independent majority, within the meaning of article 9 of law 4706/2020. The members of the Audit Committee as a whole, have sufficient knowledge in the field in which the Company operates. At least one member of the Audit Committee, who is independent of the Company, has sufficient knowledge and experience in auditing or accounting.

The members of the Audit Committee are elected by the General Meeting of Shareholders of the Company, when it is an independent committee, or by the Board of Directors, when the Audit Committee is a committee of the Board of Directors. The Chairman of the Committee is appointed by its members and is obligatorily independent of the Company.

**Object**

The Audit Committee is responsible for reviewing and evaluating the audit practices and performance of the internal and external auditors, as well as assisting the Board of Directors in performing its duties, overseeing the Company's financial information procedures, policies and internal control system.

It seeks continuous improvement and promotes reliability and transparency in the Company's Policies, procedures and practices. Enhances the free communication between the independent auditors, the Financial Management and the other Divisions and Departments of the Company, the Internal Audit Department as well as the Board of Directors.

**Duration**

The term of office of the members of the Audit Committee is three years and is automatically extended until the first Ordinary General Meeting after the end of their term, which may not exceed four (4) years.

**Decision making procedures**

The Audit Committee is convened by the Chairman. It meets regularly within each calendar quarter of each year and extraordinarily when required by special circumstances.

Decisions are taken by a majority of its Members and in case of a tie, the vote of the President shall prevail.

The discussions and decisions of the Audit Committee are recorded in signed minutes.

#### **Responsibilities of the Audit Committee**

The main responsibilities of the Audit Committee are as follows:

- (a) inform the Governing Board of the outcome of the statutory audit and its contribution to the integrity of the financial information;
- (b) monitors the financial information process;
- (c) monitor the effectiveness of internal control systems;
- (d) oversees and monitors the independence of chartered accountants or audit firms and is responsible for the selection process for chartered accountants;
- (e) informs the shareholders at the Ordinary General Meeting, submitting an annual report,
- (f) oversees the risk management and regulatory compliance departments tasks and functions.

The Audit Committee prepares the Rules of Operation of the Audit Committee, which defines in more detail its basic duties, responsibilities and the way it operates.

#### **Remuneration and Nominations Committee**

##### **Object**

The Remuneration and Nominations Committee functions as an independent and objective body, which transparently assists the Board of Directors in the performance of its duties regarding the staffing of the Board of Directors based on the Suitability Policy, the current legislation and the issues concerning the remuneration of the Board of Directors.

##### **Composition - Term of Members**

The Remuneration and Nominations Committee consists of at least three (3) members with a three-year term, who are all non-executive members of the Board of Directors and by a majority independent. The Remuneration and Nominations Committee is chaired by an independent non-executive member of the Board of Directors. The term of office of the members is automatically extended until the first Ordinary General Meeting after the end of their term of office, which may not exceed four (4) years.

##### **Convocation - Operation**

The Remuneration and Nominations Committee is convened exclusively by its Chairman or, in case of his absence or incapacity, by his deputy. The Remuneration and Nominations Committee meets regularly at least two (2) times a year, and definitely before the preparation of the Remuneration Policy, the Remuneration Report and the Suitability Policy of the Members of the Board of Directors or any revision thereof.

##### **Responsibilities of the Remuneration and Nominations Committee**

The main responsibilities of the Remuneration and Nominations Committee are as follows:

- a) Prepares the Remuneration Policy and report,
- b) Submits proposals to the Board of Directors on any matter concerning the remuneration of the Board of Directors, the executives and the employees of the Company,
- c) Defines the measures for the avoidance or management of conflicts of interest regarding remuneration issues,
- d) Prepares and proposes to the Board of Directors for approval the Suitability Policy of the members of the Board of Directors,

- e) Plans and coordinates the process of selecting candidates suitable for the vacant positions of the Board of Directors,
- f) Periodically evaluates the size and composition of the Board of Directors.

#### **Chief Executive Officer**

The Chief Executive Officer is responsible for the implementation of the Company's strategic objectives and the management of the Company's affairs. He is responsible for ensuring the smooth, orderly and efficient operation of the Company, in accordance with the strategic objectives, business plans and action plan, as determined by decisions of the Board of Directors and the General Meeting. The Chief Executive Officer refers to the Board of Directors of the Company.

## **5. INTERNAL CONTROL SYSTEM**

### **Principles and characteristics of the Internal Control System**

The Internal Audit System is defined as the set of internal control mechanisms and procedures, including risk management, internal control and regulatory compliance, which covers on a continuous basis every activity of the Company and contributes to its safe and efficient operation.

The Internal Control Audit System aims at the following objectives:

- a) consistent implementation of the business strategy, with the efficient use of available resources;
- b) identification and management of business and operational risks;
- c) efficient operation of the internal audit department;
- d) ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the financial situation and the preparation of reliable financial statements, as well as the non-financial situation, in accordance with article 151 of law 4548/2018,
- e) compliance with the regulatory and legislative framework, as well as company regulations;
- f) supervision of the activity of the Company's Executives,
- g) control of the transactions carried out by executives and associates of the Company on the Company's shares;
- h) control of the circulation of the Company's information,
- i) ensuring the perfect and effective organization and operation of the Company, in accordance with these Internal Rules of Operation and the decisions of the Management.

### **Internal control instruments**

The following instruments are provided for the performance of effective internal control:

- Audit Committee,
- Internal Audit,
- Risk Management and Regulatory Compliance.

### **Basic principles of the Internal Control System**

The staff of the Internal Audit Department and the Department of Risk Management and Regulatory Compliance as well as the members of the Audit Committee, in the exercise of their duties are independent, do not belong hierarchically to any other service unit of the Company.

The head of the Internal Audit Department is supervised by the Audit Committee and reports to the Board of Directors.

In the performance of their duties, the Head and other personnel of the Internal Audit Department as well as the members of the Audit Committee are entitled to be aware / have access of any documents that are absolutely necessary for the performance of the audit.

## Internal Audit

### Object

The Internal Audit provides independent, objective assurance and consulting services designed to add value and improve the Company's operations. Internal Audit adopts a systematic and professional approach to evaluating and improving the effectiveness of governance, risk management and control procedures.

The Internal Audit monitors, controls and evaluates the Internal Control System, in particular as to the adequacy and correctness of the provided financial information as well as, to the implementation of the Internal Rules of Operation.

Its basic duties are:

- Submission of audit reports to the Board of Directors,
- Monitors the implementation and observance of the Internal Rules of Operation, the Company's Articles of Association, as well as the policies and procedures of compliance with the legislative and regulatory provisions concerning it,
- Controls the observance of the commitments contained in the prospectuses and the use of the funds raised from the Stock Exchange,
- Checks the legality of the remuneration and all kinds of benefits to the members of the administration,
- Reports to the Board of Directors, cases of conflict of interest,
- Controls the relations and transactions of the Company with its affiliated companies,
- Prepares and implements an annual audit program,
- Evaluates the process of identifying risks, as well as how to address them, as well as their disclosure in a correct manner,
- Evaluates the adequacy and effectiveness of control procedures and risk management,
- Monitors the results of the implementation of the recommendations of previous audits for which there are commitments to take corrective actions.

### Duties of the Head of Internal Audit

The head of the Internal Audit is a full-time exclusive employee, personally and functionally independent and objective in the performance of his duties and has the appropriate knowledge and relevant professional experience. His main duties are the following:

- The presence at the general meetings of shareholders.
- The audit and submission to the Audit Committee of the audit program for review and approval.
- The audit and submission to the Audit Committee of the necessary resources, as well as the consequences of any restriction of resources or the audit work of the service in general, for review and approval.
- Ensuring that internal control resources are adequate and adequate.
- Review and approve audit reports including findings, improvement suggestions and feedback from auditors.
- The audit and submission to the Audit Committee of the quarterly audit reports.
- The development and maintenance of a quality assurance program.
- Informing the Audit Committee of any problems in the supply / access of data.

### Way of conducting the audit work

#### Internal Audit Procedures Manual

In order to carry out the audit work, the Internal Audit arranges for the preparation of an Internal Audit Procedures Manual, which describes the procedures for conducting internal audits.

### Internal Audit basic operations

The Internal Audit evaluates the operation of the Company, which can be done per division, per activity, per transaction, on a short-term or medium-term basis.

In addition, the validity of the information produced is audited, as follows:

- Checking the accuracy and validity of financial information.
- Verification of the information brought to the attention of the Internal Audit.
- Control of the information produced and circulated by the Company's management, in the context of conducting the audit of departments and functions.

Assets are further audited as follows:

- Checking the reconciliation between books.
- Participation in the organization and conduct of physical verifications of the assets as reported from the accounting books.
- Confirmation of the physical existence of the assets and their depreciation policy.
- Carrying out approved and authorized transactions.
- Assessing the adequacy of controls and control systems.

The Internal Audit must provide instructions and properly inform the staff, in order to ensure the legality of their behavior.

The Internal Audit informs Management through a written report, through written notification to the Board of Directors of any event that will come to its notice if it is related to the application of the principles and rules of the Company and by informing the CEO and Board of Directors in case that illegal conduct or suspicious transaction of any Obligated Person is found.

The Internal Audit maintains a file in which the results of investigations, periodic and other reports to the Board of Directors are recorded, as well as any special measures and penalties imposed on the employee, as well as any general, preventive or repressive measures taken, in the context of the implementation of the Internal Audit process.

### **Procedure for carrying out a regular audit**

The Internal Audit conducts on a periodic basis, regular audits of the operation of the individual divisions and operations of the Company. Furthermore, it carries out more detailed audits on specific issues, according to the procedure described in the Internal Audit Manual and based on the assessment of the respective risks by the Company's Management.

In each case, an audit plan is drawn up, an on-site audit is carried out, each finding is fully and clearly documented and the suggested actions are proposed, the audit report is prepared.

### **Procedure for carrying out an extraordinary audit**

The Internal Audit conducts more thorough audits on specific issues when its executives identify specific malfunctions or problems or when specific malfunctions or problems are indicated to the Service by other Divisions.

In each case, the Management's mandate to carry out an audit is documented with clarity and completeness, the risks are assessed and the possible consequences for the Company are assessed, while the control points (controls) that may need to be implemented immediately are selected, the appropriate audit methods, the audit work is carried out, using the appropriate worksheets and the necessary computer applications and software, each finding is fully and clearly documented and suggestions for treatment are proposed, the Management is informed immediately after the completion of the audit work as well. and in between.

## **Risk Management and Regulatory Compliance**

### **Object**

The Risk Management and Regulatory Compliance is responsible for the identification, assessment and management of the Company's risks as well as for the establishment and implementation of appropriate and up-to-date policies and procedures, in order to achieve timely and complete compliance of the Company with the applicable legal and regulatory framework.

### **Basic duties**

The main responsibilities of the Risk Management and Regulatory Compliance are the following:

- The control and the adoption of measures for the compliance with the existing provisions of laws and regulations as well as with internal regulations, policies and procedures taking into account the risk of compliance,
- The communication of the Regulatory Compliance Policy to the Board of Directors through the Audit Committee,
- Monitoring the Company's compliance with the Regulatory Compliance Policy and related procedures,
- The recognition, evaluation, supervision and monitoring of the Company's exposure to compliance risk,
- The recognition of the potential impact for the Company in case of change of regulations,
- The evaluation of the relevance of the instructions and procedures applied within the Company, the monitoring of the deficiencies identified and the proposal for improvements,
- Informing the Board of Directors through the Audit Committee, on compliance issues.
- The introduction of risk tolerance limits for each type of risk and assistance, with an advisory role, in the design and implementation of new policies, processes, products and services and investments.

### **Head of Risk Management and Regulatory Compliance duties**

- Advising the Audit Committee / Board for more effective risk management,
- Submission to the Audit Committee / Board of Directors of risk and regulatory compliance reports.

## **6. STRUCTURE OF DIVISIONS**

### **Divisions' General Responsibilities**

The responsibilities of each Division include the following:

- Development and implementation of the Company's strategy, in order to fulfill the annual objectives.
- Design, control and implementation of the procedures.
- Ensuring the staffing of the Management with the required number of staff.
- Ensuring effective coordination of all relevant activities.
- Maintaining a positive atmosphere of cooperation within the Management, as well as with the other divisions of the Company.
- Timely recognition of the needs of purchasing goods and the needs of fixed assets, which are necessary in the performance of its activity.
- Timely identification of employee training needs.
- Providing valid and timely information to the administration.

### **Commercial Management**

The main responsibilities of the Commercial Department are the following:

- Flight network design.
- Airport slots management.
- Distribution of flight schedule through direct and indirect channels.
- Pricing policy and flight revenue management.
- Management and development of corporate commercial websites.
- Management of corporate image and communication policy strategy.
- Development and execution of marketing planning.
- Development and management of the compliance program.
- Management of indirect sales channels (travel agencies).
- Charter flight management.

### **Financial Management**

The main responsibilities of the Financial Management are the following:

- The guidance, coordination and supervision of the preparation and issuance of all financial reports of the Company and the Group.
- The supervision and control of the preparation of the annual budget and the financial flows, the monitoring of the monthly budget development and the justification of any deviations.
- Ensuring the timely and correct updating of the Company's accounting books, as well as all the financial statements provided by law.
- Ensuring the timely preparation and publication of financial statements, in accordance with the law and the relevant provisions of corporate and stock market legislation.
- The management of transactions with banks, the treatment of financial needs and the care for the proper management of the Company's cash, in order to reduce the risk and cost of financing and increase the return on financial investments.

### **IT Department**

The main responsibilities of the IT Department are the following:

- Evaluation for software supply to meet the needs of the company.
- Technical support of users, maintenance and renewal of equipment.
- Study, analysis, design and development of applications for specialized needs of the company.
- The design and development of information and communication systems and their interconnection with other corresponding systems.
- The development, management and technical support of infrastructure.
- The management of internet services.
- Maintenance, renewal and upgrade of installed applications.
- Monitoring the security of computer systems.
- Proposing measures for the protection of systems and data.
- Compliance with security policy.

### **Flight Operations Division**

Adherence to corporate policy throughout the flight operations, requires all the following functions that the division is responsible for their completion.

- Training of pilots and cabin crew on aircraft systems and operating procedures as well as rules of cooperation between crews.
- Preparation and scheduling of flights regarding crew composition, maintaining business capability in all categories of airports, setting operating limits, receiving and distributing aeronautical information crews, complying with legislation on maximum allowable crew service time,

attendance monitoring of crews in cosmic radiation, observance of hygiene rules for crew and passengers, observance of flight standards and continuous air navigation procedures.

- Execution of the flight operations in compliance with all the limits and procedures of the aircraft type manufacturer, the applicable aviation rules, state laws, flight safety rules.

### **Technical Division**

The Company operates with its aircrafts only if they are maintained by a properly approved airworthiness organization and have a valid airworthiness certificate. The duties of the Technical Division are:

- The technical maintenance of aircraft, engines and components.
- Compliance with European Legislation and all procedures issued by the European Aviation Safety Agency (EASA) and the Civil Aviation Authority (CAA).
- The management of spare parts and other supplied materials and the control of the received materials in terms of their qualitative and quantitative characteristics.
- Maintaining a file and maintenance history of the aircraft.
- Monitoring and optimizing maintenance costs.
- Creating contracts with approved suppliers of spare parts and services.
- Continuous staff training.

### **Ground Services Division**

The main responsibilities of the Ground Services Division are the following:

- Compliance with applicable legislation and procedures.
- Proper, timely and safe service during check-in, boarding and disembarking of passengers, as well as when loading and unloading luggage and cargo of the aircraft, in accordance with safety rules, company procedures and obligations.
- The care for the handling of the flights, the timely supply of the flights with the underlying supplies and the receipt of the returned supplies.
- The implementation of domestic and international regulations.
- The observance of the procedures aimed at achieving the safety conditions, for as long as the aircraft remains in the parking position.
- The management and resolution of customer complaints.

### **Legal Department**

The main responsibilities of the Legal department are the following:

- The coordination, management and monitoring of the legal issues and cases of the Company.
- The provision of legal support on the legal issues of the Company, in order to ensure its compliance with national and European legislation and the treatment of any legal issues and cases.
- The examination as to their legal part of the employment contracts, documents that contain an important financial object, minutes of the Board of Directors and the General Meeting, decisions of the Board of Directors and the General Meeting, so that they are in accordance with the current legislation.
- Keeping a record of all the Company's contracts.
- The representation of the Company in matters concerning competent and official bodies and the keeping of a file per court case, and the updating of it during its development.

### **Investor Relations Department**

The purpose of the Investor Relations Department is:

- The planning and development of substantial communication between the Company and the market players, who have an interest or are interested in investing in the course of the Group.

- The Company's compliance with the obligations arising from the Athens Stock Exchange Regulations and the decisions of the Hellenic Capital Market Commission.
- The timely and equal information and service of the shareholders and bondholders of the Company, in accordance with the provisions provided by the regulatory framework.
- Direct communication and cooperation with the Management and all the departments of the Group.
- The distribution of dividends and free shares, issuance of new shares.
- The provision of information on the regular or extraordinary general meetings and the decisions taken at them.
- The acquisition of own shares, their disposal and cancellation.
- The communication and exchange of data and information with the central securities depositories and the intermediaries, in the context of the identification of the shareholders.
- The wider communication with the shareholders.
- The observance of the share register as well as the bond register of the Company.
- Compliance with the publication of the necessary corporate announcements concerning regulated information.
- The Company's compliance with the stock exchange legislation as well as with the decisions of the Hellenic Capital Market Commission.

## **7. BASIC COMPANY OPERATIONAL PRINCIPLES**

The Company, for its smooth operation, has defined some basic principles, which should be followed by all its staff and managers.

### **Code of Conduct**

The primary goal of the Company Code of Ethics is to create a climate of trust between the various categories and levels of employees and between the employees and the Company.

The need to record ethical rules arose mainly from the development of the Company's operations, its obligations to the supervisory bodies, the existence of important information handled by a large number of its staff and the need to adopt measures to prevent money laundering. from criminal activities.

### **Company's relations with employees**

The Company's personnel are connected to it by a regime of private law, which is governed by the applicable provisions of labor law, as well as the internal personnel and payroll procedures and the Company's Rules of Procedure, which has been ratified by no. 116 / 20.1.2005 decision of the Labor Inspection Body.

The selection and hiring of the top executives of the Company is done by the Board of Directors of the Company or by other bodies in accordance with the responsibilities assigned by the Board of Directors.

Job satisfaction, safety and protection are priorities of the Company, as one of the success factors is the full commitment of employees to their duties. There is also care, so that the communication channels even with members of the management are always open, for all issues that concern the staff and to receive timely answers and solutions.

### **Duty to society as a whole**

The Company acknowledges that it has a responsibility to society as a whole in any case of transaction with suppliers, customers or third parties associated with the Company. All employees of the Company have been informed, in order to look for ways of activity that contribute positively to the well-being of society as a whole.

### **Languages of communication**

The companies, whose securities are listed in the Large Capitalization Category, must send their information in Greek and English.

## **8. SHARE CAPITAL INCREASES AND DISPOSAL OF ASSETS**

In case the general meeting of the shareholders has as its subject, the share capital increase of the Company by cash payment, the Board of Directors submits to the general meeting a report, which states the general directions of the investment plan to be financed by the increase funds, indicative timetable of its implementation, as well as an account of the use of the funds raised from previous share capital increases, if less than three (3) years have elapsed since the completion of each increase.

If the decision to increase the share capital is taken by the Board of Directors pursuant to the provisions of article 24 par. 1 of Law 4548/2018, all the elements of the previous paragraph should be mentioned in the minutes of the Board of Directors.

Deviations in the use of the funds raised in relation to that provided in the prospectus and in the relevant decisions of the general meeting or the Board of Directors, a percentage of more than twenty percent (20%) of the total funds raised, are implemented only by previous decisions Board of Directors of the Company, with a majority of three quarters (3/4) of its members and approval of the general meeting convened for this purpose with an increased quorum and majority. In any case, the above deviations can't be decided before the lapse of six months from the completion of the raising of funds, except in exceptional cases of force majeure or unforeseen events that are duly justified in the general meeting.

## **9. POLICIES / PROCEDURES**

### **Conflict of Interest Management Policy / Framework**

The Company has adopted and implements a specific Conflict of Interest Management Policy regarding the maintenance and implementation of effective administrative procedures and control mechanisms for the identification and management of existing and any potential conflict of interest situations during its operations.

The aim of the Conflict of Interest Management Policy is to provide guidance to the members of the Board of Directors on how conflicts of interest are defined, how they can be identified, as well as what procedures to deal with.

A report on conflict of interest situations is prepared on an annual basis.

### **Sustainable Development Policy**

The Company implements a specific policy regarding the issues of environment, society and governance ("ESG"), which is approved by the Board of Directors and is posted on the Company's website.

The purpose of the policy is to capture the factors and criteria that contribute to the protection of the environment, the positive impact on society and good governance, in order to adopt a framework of principles and responsible practices for the management of the above issues.

### **Board Membership Suitability Policy**

The Company implements a specific Suitability Policy of the Members of the Board of Directors which is approved by a decision of the General Meeting and is posted on the Company's website.

The purpose of the Suitability Policy is to ensure the quality staffing, the efficient operation and the fulfillment of the role of the Board of Directors based on the general strategy of the Company.

### **Training policy of the members of the board of directors, the executives, as well as other executives of the Company**

The Company implements a specific training policy which is approved by the Board of Directors. The training Policy aims at upgrading the knowledge and training of the executives and especially the persons who exercise management in the Company in order to ensure that its responsibilities are fulfilled in an effective way.

### **Policies / Procedures on Compliance with the current legislative and regulatory framework**

#### **Regulatory Compliance Policy**

The Company implements a specific regulatory compliance policy which defines the fundamental principles, roles and responsibilities of the Risk Management and Regulatory Compliance Department as well as its relationship with the Board of Directors.

The Policy covers all current regulatory compliance requirements in order to ensure the management of regulatory compliance risks through the implementation and oversight of the Regulatory Compliance System.

#### **Procedure for monitoring ongoing compliance with the current institutional framework**

The Risk Management and Regulatory Compliance Department of the Company has established a procedure for monitoring changes and ongoing compliance with the applicable Legislative and Regulatory framework, in order to achieve the Company's compliance with them.

For the most complete continuous monitoring / measurement of the continuous compliance, a series of procedures are followed, regarding the process of monitoring legislation and developments of the regulatory framework, by providing detailed instructions and directions to the divisions / departments as well as providing advice to the relevant Committees. with the Legislative and Regulatory Framework.

#### **Policy & Procedure for the Periodic Evaluation of the Internal Control System**

The Evaluation Policy of the Internal Control System includes principles regarding the subject and periodicity of the audit, the scope of the evaluation and the assignment and monitoring of the evaluation results.

#### **Internal Control System Evaluation Procedure**

The Company implements an evaluation process of the adequacy of the Internal Control System which includes the following stages:

- The selection of candidates to conduct the evaluation,
- The process of proposing, selecting and approving the assignment of the evaluation,
- The monitoring and observance of the agreed project.

#### **Dependency Relation Notification Procedure**

The Company has a procedure for notifying any dependent relationships, according to article 9 of law 4706/2020, of the independent non-executive members of the Board of Directors and the persons who have close ties with these persons.

#### **Privileged Information Management and Public Information Policy**

The Company implements a policy for managing privileged information and the proper notification of the public which includes:

- The recognition of facts or situations that can be perceived as constituting privileged information, their publication, immediately and without delay,
- Monitoring and controlling access to privileged information,

- Monitoring and controlling the abuse of privileged information.

**Related Party Management Policy**

The Company maintains a Related Party Management Policy to comply with the articles 99 - 101 of Law 4548/2018, which include arrangements regarding the transparency and supervision of transactions with related parties, the granting of a transaction license and their publicity.

**Transaction policy of persons with managerial duties and persons with close relations with them**

The Company has adopted a Policy regarding the monitoring and disclosure of transactions of the persons holding managerial duties and the persons who have a close relation with them in accordance with article 19 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council.

**Recruitment and Evaluation Process of Executives****Recruitment**

The company follows a specific procedure regarding the recruitment and evaluation of executives, which concerns actions such as updating on the status of candidates, scheduling interviews, communicating with the interested party after the final selection, processing the recruitment and keeping a record.

**Evaluation**

The evaluation is carried out annually and is coordinated by the Human Resources Department. Responsible for the evaluation of the Executives, is the CEO of the Company.

**Policy and Procedure of adequate and effective shareholder engagement mechanisms**

The company has drafted a Policy and Procedure regarding the adequate and effective mechanisms of communication with the shareholders, in order to facilitate the exercise of their rights and the active dialogue with them. The policy establishes the necessary communication mechanisms between the shareholders and the Company which aim at ensuring regular and equal communication and interaction of the shareholders with the management of the Company.

**Whistleblowing Policy**

The Company has established and applies specific principles and rules regarding the principles and the framework through which anonymous and non-anonymous notifications are received, evaluated and investigated, which are related to serious omissions, irregularities and offenses brought to the attention of its employees and associates.

The Management of the Company is committed to zero tolerance for illegal and irregular acts, in acts that have a negative impact on its prestige and credibility, but also on maintaining the highest level of ethics and professional conduct.

**Risk Management Policy**

The Company implements a risk management policy regarding the risks that the Board of Directors is called upon to manage. Through it, the general risk management framework is established in which potential events that may affect the Company are identified and the risk levels that are considered tolerable are determined. In addition, the application of a structured methodology regarding the identification, assessment and management of risks, allows for their correct and effective / appropriate management and prioritization. Finally, the structured approach to risk management is the basis for providing reasonable assurance about the achievement of the Company's business objectives.