



**AEGEAN AIRLINES S.A**

**Remuneration Policy**

**REMUNERATION POLICY****Introduction**

The company "Aegean Airlines SA" (hereinafter the "Company") establishes, maintains and applies basic principles and rules regarding the remuneration of the members of the Board of Directors (BoD).

This remuneration policy (hereinafter "**Remuneration Policy**") has been established on the basis of current legislation and in particular the provisions of Law 4548/2018, the provisions of Directive 2007/36/ EC of the European Parliament and of the Council of 11 July 2007, on the exercise of certain rights of shareholders in listed companies and of the Directive 2017/828 / EU of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36 / EC to encourage the long-term shareholder engagement. In addition, the Remuneration Policy takes into account the provisions of the Articles of Association, the Code of Corporate Governance and the Internal Rule of Operations of the Company.

The revised Remuneration Policy was approved by the Annual General Meeting's resolution of the Shareholders dated 30.04.2024. The Remuneration Policy succeeds, merges and supersedes any other previous Remuneration Policy and shall be effective for four (4) years (hereinafter the "**Validity Period**") from the date it was approved 30.04.2024, unless earlier revised and/or further amended by virtue of another General Meeting's resolution.

The approved Remuneration Policy is posted on the Company's website <https://en.about.aegeanair.com/investor-relations/>, throughout the Validity Period, and is submitted to the legally prescribed publicity formalities together with the date and results of the vote.

The Remuneration Policy applies to the remuneration of the members of the Board of Directors and defines in detail, on the one hand (i) the existing rights of the members of the Board of Directors and the Company's obligations towards the aforementioned persons and on the other hand (ii) the terms under which remunerations will be provided, in the future, to existing and / or new members of the Board of Directors during the Validity Period.

**Purpose – Basic Principles**

The Policy reinforces transparency, values and a culture of continuous improvement and development, while helping to maximise the value of the Company for its customers, shareholders, and employees. It also considers the long-term interests of all stakeholders, who have a legitimate interest in maximizing the value of the Company.

The Remuneration Policy of the members of the Board of Directors, as it is the case for all employees, is based on the principle of paying fair and reasonable remuneration for the best and most suitable person for the respective role, aligning the remuneration offered to the persons covered by it with business strategy, long-term interests, sustainability, size and internal organization of the Company, as well as the nature, scale and complexity of its activities.

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In addition, it is based on the principles of ensuring business continuity and efficiency in business practices, as well as the promotion of the sense of justice among the executives, since equal value efforts and results are evaluated under the same principles. Specifically, the Remuneration Policy takes into account the salary and working conditions of the Company's employees and any fluctuations in the remuneration of the Board of Directors taking into account the respective change in the remuneration of the Company's employees.

At this point, it is acknowledged that the remuneration structure of the executive members of the Board of Directors differs by necessity from that of other employees, due to the responsibilities associated with their role and due to their impact on the Company's performance. Any remuneration of non-executive members of the Board of Directors, if paid, is not comparable to the structure of the remuneration of the executive members of the Board of Directors and other employees of the Company, due to the nature of their duties.

Procedures followed for setting Board remuneration are clear, transparent and include measures to avoid conflicts of interest, both through the process of establishing it and through the remuneration structure. In addition, it takes into account the views of the shareholders as submitted in the General Meeting.

It also promotes sound and effective risk management and at the same time discourages excessive risk-taking, as the remuneration of the members of the Board of Directors is not linked to the achievement of excessive profits. It also defines different components for granting fixed and variable compensation to the members of the Board of Directors.

### **Remuneration and Nominations Committee**

The Board of Directors has set up a three-member Remuneration and Nominations Committee (hereinafter referred to as the "Committee") consisting by majority, of non-executive independent members. The Chairman of the Committee is an independent and non-executive member of the Board of Directors.

The Committee functions as an independent and objective body, in accordance with its regulation.

The Committee:

- Submits proposals to the Board of Directors in relation to the Remuneration Policy which is subject to approval by the General Shareholders Meeting, in accordance with paragraph 2, article 110 of Law 4548/2018.
- Submits proposals to the Board of Directors in relation to the remuneration of the members of the BoD.
- Reviews the information included in the final draft of the annual remuneration report and submits an opinion to the Board of Directors, before the report is submitted to the General Shareholders Meeting, in accordance with article 112 of Law 4548/2018.

At the same time, the Committee conducts regular reviews, revisions and updates of all remuneration procedures and conditions, at operational level, to align with both business objectives and the applicable regulatory framework. Every four (4) years (or earlier in case there is a need for modification), upon the recommendation of

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the Committee, the Board of Directors submits an updated Remuneration Policy to the General Meeting of Shareholders for approval.

Whenever there is a substantial change in the circumstances that affect the remuneration process as provided in the remuneration policy, the Policy will be revised and submitted for approval to the next General Meeting of the Shareholders.

In the event that there is a remuneration policy and the General Meeting of the Shareholders does not approve the proposed new remuneration policy, the Company may continue to pay the remuneration of the members of the Board of Directors only in accordance with the previously approved Remuneration Policy and submits a revised remuneration policy for approval by the next General Meeting.

### **Field of Application**

The Remuneration Policy applies to:

- Chairman of the Board of Directors,
- Chief Executive Officer,
- Members of the Board of Directors.

### **Remuneration - Benefits**

The Remuneration Policy covers the total remuneration and any kind of benefit and compensation that can be paid to the above persons by the Company such as:

- money,
- shares,
- stock options,
- granting discretionary benefits, such as a company car, optional pension benefits, insurance policies.

Benefits that are provided in order to cover operating expenses, such as fuel expenses, parking, tolls, use of a corporate card, mobile phone are not included.

In the event of a remuneration payment from the annual profits of the year in accordance with the provisions of the Company's Articles of Association, following relevant proposal by the Committee, the amount of the remuneration will be determined by a special decision of the General Meeting of the Shareholders.

Remuneration can include both fixed and variable compensation, in order to align them with the business development and efficiency of the Company.

Below, is a table of remuneration and other benefits to the executive and non-executive members of the Board of Directors.

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Title	Fixed remuneration	Variable remuneration	Participation in Performance Stock Awards Scheme	Other benefits
Chairman of the Board of Directors (executive member)	√	√	-	√
Chief Executive Officer (executive member)	√	√	√	√
Executive members of the Board of Directors	√	√	√	√
Non-executive members of the Board of Directors	√ <sup>1</sup>	-	-	√

### Fixed Remuneration

"Fixed Remuneration" relates to payments or benefits, independent of any performance criteria, that are granted on a regular periodic basis and constitute the secured income of the respective person. They consist of the salary and / or the annual remuneration of a member of the Board of Directors.

Especially for the remuneration of the members of the Board of Directors for services provided to the Company based on a special relationship, such as an employment contract, project or mandate, those are paid in accordance with the provisions of articles 99 to 101 of law 4548/2018 and the current legislation, as applicable.

The members of the Board of Directors are paid a fixed remuneration that reflects their position, responsibilities and duties entailed with their role as well as the rest of their duties, including their participation to Board of Directors committees.

This remuneration is considered competitive for the industry and reflects the scope of the Company's activities so as to attract and retain highly skilled executive members with proven, long-term experience in positions of authority of similar sized companies.

<sup>1</sup> Fixed remuneration of non-executive members of the Board of Directors relate exclusively to their participation to the Board and the committees of the Board.

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Fixed remuneration, in accordance with the labor law provisions if relevant, may fluctuate on an annual basis, taking into account the performance of the member, his/her experience and his/her individual qualifications, in order to ensure the alignment with the long-term interests of the Company. Any fluctuations also take into account the salary conditions of the remaining staff of the Company. Those conditions are determined and specifically justified by the Committee.

### **Variable remuneration**

"Variable Remuneration" relates to additional payments or benefits which are performance based or based on other criteria and are intended to reward the individual performance of the members of the Board of Directors.

Variable remuneration act as an incentive to ensure maximum possible return, encouraging the reasonable undertaking of business risks, rewarding performance in accordance with the Company's progress, the achievement of corporate goals, the long-term prospects and profitability of the Company. The main performance criteria are financial criteria, such as the achievement of EBT (Earnings before Tax), as well as non-financial criteria, such as personal performance, compliance with corporate social responsibility, as well as the achievement of targets related to sustainability, environmental, social and corporate governance criteria. Specifically, the Company may grant annual variable compensation to the Executive Members ("bonus") either in cash or by other means through participation in Performance Stock Awards program free of charge, as described below. However, the remuneration paid in cash which is part of a short term incentive scheme, shall not exceed 300% of their fixed remuneration.

In addition, the Company could similarly provide variable compensation to the Executive Members as part of a long term incentive scheme, which can be paid either in cash or by other means through participation in Performance Stock Awards program free of charge, as described below, based on both the individual performance as well as the Group's average profitability during the three (3) financial years preceding the allocation or benefit.

The payment of the variable remuneration may be postponed by a decision of the Board of Directors, especially if exceptional circumstances arise that justify this postponement (e.g. the Company's profitability is affected by an unforeseen event). The payment of the additional remuneration can be revoked by a decision of the Board of Directors of the Company, if the member who received it is convicted for actions performed during the exercise of their duties or the Company's profitability based on its published financial statements prove to be inaccurate.

Variable remuneration is related to the working and salary conditions of the Company's employees, as the Company may provide incentive schemes for their performance based on predetermined criteria, depending on the position of responsibility they hold.

### **Participation in the Performance Stock Awards program (Performance Stock Awards)**

In accordance with the relevant law provisions, programs for shares distribution could be established (including stock option plans) and offered to the executive members of the Board of Directors.

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In accordance with the relevant legal framework as in force, the Company may establish either Performance Stock Awards plans or stock option plans to the executive members of the Board of Directors. These programs are considered discretionary benefits, granted by the Company without prejudice to its right to withdraw, amend, or abolish at any time without affecting the rights acquired.

The current Performance Stock Awards plan (hereinafter the "Plan") is granted - following the recommendation of the Committee - to executive members of the Board, other than the Executive Chairman of the Board, in order to incentivize and reward the achievement of short and long-term targets. The Plan is provided to Executive members for the purpose of retaining competent executives and ensuring the continuous implementation of the Company's business strategy, as well as aligning the interests of executive members with those of shareholders.

The terms of the current Plan are as follows:

- a) Program duration: Three (3) years.
- b) Origin of the shares to be allocated: either treasury shares in accordance with the provision of article 49 par.3 L.4548/2018 or new shares following the capitalization of undistributed profits or distributable reserves or difference from the issue of shares at par.
- c) Number of Shares and the terms of distribution: Up to 450.000 shares could be granted free of charge. The nominal value of the shares to be allocated under this plan, aggregated with the nominal value of the shares allocated to senior executives, who are not members of the Board of directors, and other personnel with positions with responsibilities, shall not exceed 1/10 of the paid up share capital of the Company. The shares to be allocated will be ordinary registered voting shares and will incorporate all the rights provided by the law and the Company's Article of Association.

More specifically, the allocation of the shares may take place as follows:

Pursuant to the Board of Directors decisions and upon the relevant proposal of the Committee, a total amount of up to 450,000 shares may be allocated free of charge, gradually and until the expiry the Plan, to executive members of the Board of Directors, other than the Executive Chairman of the Board, based on the following criteria set out below, and may be further specified by the Board of Directors in accordance with the Plan's annual targets , upon the relevant proposal of the Committee.

A total of 225,000 shares may be allocated for rewarding short term targets and to provide incentives, as described above in the section of variable remuneration, in accordance with the Company's remuneration policy for the period 2024 - 2026, as adjusted from time to time by the Board of Directors following the Committee proposal. The allocation of shares will be decided following the evaluation of the performance results and the Board of Directors approval.

The remaining 225,000 shares may be allocated to executive members (except the Chairman of the BoD) based on the achievements of long-term targets as well as the contribution of each executive member and may be granted gradually until the end of the plan, depending on targets and period of achievement.

The long-term targets based on which the shares could be allocated include, among others, the Group's

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profitability and in particular the pre-tax profit margin and the average profitability of the Group during the three (3) financial years preceding the allocation.

Beneficiaries of the shares will be subject to a mandatory retention period 24 months following the allocation of the shares to each of the beneficiary's investor account held in the SAT.

In any case, the Board of Directors of the Company, following the proposal of the Committee, will further specify the criteria for the allocation of the shares, the number of shares to be allocated annually per beneficiary, based on his/her performance and the degree of achievement of the objectives, as well as any other relevant condition for the implementation of the above.

In case of corporate events or actions (i.e. merger, spin-off, share capital increase in any form, including but not limited to the capitalization of the reserves, claims, reduction of the Company's shares capital in any form or the occurrence of any other corporate event), the terms of the Plan may be adjusted by the Board of Directors (at its sole discretion) in such a way that, despite the adjustment of the nominal value of the Company's share capital, the beneficiaries will retain the rights of an equivalent value under the terms of the Plan.

The Company is not committed to allocate the aforementioned maximum number of shares, as the exact number of shares to be allocated will depend on whether or not the targets are met.

To this end, the Board of Directors will take into account and will evaluate whether Company's targets have been met, as well as the contribution of those participating in the Plan to the achievement of these targets, following the Committee's relevant proposal.

**Other benefits**

Other benefits include benefits to a pension plan and/or other facilities and benefits necessary for the performance of their duties, such as travel and accommodation expenses. Similar benefits may be provided to other employees of the Company.

**Basic characteristics of contracts of members of the Board of Directors****Executive Members of the BoD**

The Chairman of the BoD as an executive member, does not have an employment contract with the Company. The other BoD executive members have employment contracts with the Company which reflect part of their fixed compensation for the provision of their services, and include the following basic terms:

- Contract Duration - Indefinite term
- Notice period - In accordance with applicable law
- Terms and payment for contract termination - In accordance with applicable law

The legal provisions are applicable for executive Board members as far as the termination in their capacity as Board members, in terms of notice and in terms of any compensation in relation to the termination.

The Company has not entered into contracts which create special obligations apart from market standard and those that are required by law.

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The non-executive members of the BoD do not have contracts with the Company and any amounts paid to them are governed by the terms of this Remuneration Policy.

The resignation or the end of the term of the non-executive members takes place in accordance with the legal provisions and no further compensation is paid apart from the one due until the date of the resignation or the end of the term.

The term of the Board of Directors (executive and non-executive members) is defined in the Company's Articles of Association.

**Conflict of Interest Management**

The Company has adopted a Conflict of Interest Management Framework (hereinafter referred to as the "**Framework**") regarding the maintenance and implementation of effective administrative procedures and control mechanisms for the identification and management of existing and potential conflicting situations in accordance with its interests, based on par.3 (z) of article 14 of L.4706 / 2020. The current Framework implements both the general principles of the Conflict of Interest Policy and more detailed provisions for the procedure applied by the Company.

The aim of the Framework is to provide guidance to members of the Board of Directors and management on how conflicts of interest are defined, how they can be identified, as well as what procedures should be followed when they take place, in order to protect the interests of the customers and the Company.

Specifically, the members of the Board of Directors are obliged to declare in writing:

- any intention to operate or conduct a transaction related to the Company or its key customer or supplier,
- their participation in Boards of Directors or other forms of administrative bodies of other legal entities - bodies of any character and object, as well as any other relationship and / or activity that may be in conflict with the interests of the Company,
- their professional commitments of any kind to other companies, but also to non-profit entities, before their election to the Company's Board.

In order to timely identify and resolve potential conflict of interest situations, the Company implements relevant procedures. Cases of conflict of interest are identified through the relevant procedures and recorded in a file, in accordance with what is stated in the Framework.

The Company's Internal Audit Department ensures the effective management of cases of conflict of interest as well as ensures the protection of the confidentiality of critical information that may affect the reputation, operation and competitiveness of the Company, by conducting periodic compliance audits and following relevant procedures for the avoidance and management of events of conflict of interest of the Framework.

**Remuneration Disclosures**

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The Board of Directors will prepare and publish a clear and informative remuneration report ("**Remuneration Report**"), which will provide a comprehensive overview of the total remuneration received by the Members of the Board of Directors during the previous financial year.

The Company's auditors review whether the Remuneration Report contains the information required by law.

The Remuneration Report is submitted to the General Shareholders Meeting as a separate item on the agenda. The shareholders' vote on the Remuneration Report is advisory in nature. The Board of Directors should explain in the next Remuneration Report how the vote of the General Meeting was taken into account.

The Remuneration Report remains available on the Company's website for a period of ten (10) years from the General Meeting.

### **Revision and Temporary Exceptions**

The Committee may propose a revision of the Remuneration Policy.

In any case, the revision of the Remuneration Policy takes place every four (4) years or in any case when there is a substantial change in the conditions under which it was prepared.

The BoD may approve in special circumstances temporal exceptions from the Remuneration Policy, following a relevant recommendation by the Remuneration & Nominations Committee, should it be deemed necessary for the long term interests of the Company and involves attracting, rewarding and keeping executives with specialized skills and knowledge in the industry. For example, temporal exceptions could involve negotiating and agreeing additional incentives (like different notice periods, different terms and compensation for contract termination) based on the role, experience and performance of the BoD member as well as the operating and pre-tax profits of the Company during the term of the member. Such remuneration/compensation shall be approved by the BoD in accordance with the relevant legal framework and following the relevant recommendation of the Remuneration & Nominations Committee and shall be included in the annual Remuneration Report.

Upon a recommendation of the Committee, it is approved by a decision of the Board of Directors. In exceptional circumstances it is possible to temporarily deviate from the Remuneration Policy provided that this deviation is necessary to serve the long-term interests of the Company as a whole or to safeguard its viability, which is justified in the relevant decision of the Board of Directors.