


TAX POLICY

AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS, S.L.U.



Responsible officer	CHIEF FINANCIAL OFFICER AIR NOSTRUM GLOBAL SERVICES, S.L.U.
Signature of responsible officer	
Adoption date	14 DECEMBER DE 2023
Adopted by	BOARD OF DIRECTORS
Effective from	1 JANUARY 2024
Versión	1

TAX POLICY

AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS

Contents

1. Purpose, scope and objectives	1
2. Background	1
3. Interested parties	3
4. Scope	5
5. Principles of action in tax matters	6
6. Monitoring and oversight	6
7. Reporting channel	7
8. Adoption, validity and dissemination	7

TAX POLICY

AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS

1. Purpose, scope and objectives

AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS, S.L.U. (hereinafter also referred to as “**the Company**”), AIR INVESTMENT VALENCIA, S.L., AIR NOSTRUM LÍNEAS AÉREAS DEL MEDITERRÁNEO, S.A.U., AIR NOSTRUM GLOBAL SERVICES, S.L.U., AIR NOSTRUM TRAINING OPERATIONS, S.L.U. and ARA GESTIÓN DE TRIPULACIONES Y VUELO, S.L.U. (hereinafter, “**AIR NOSTRUM**”, “**the Organisation**” or “**the Companies**”, as applicable) are characterised by advocating for and promoting compliance with and observance of the current legislation by all persons who are part of the Organisation.

The purpose of this Policy is to set out the principles and guidelines that guide the Company’s performance in tax matters, in a coordinated and consistent manner with AIR NOSTRUM’s business strategy and activities, contributing to its development.

Within the above framework, these principles and guidelines are aimed at:

- Ensuring responsible compliance with applicable tax regulations.
- Preventing, avoiding, properly managing and minimising any risks and uncertainties that may arise in this area and their consequences.

To this end, the necessary protocols and procedures, and a compliance management system, shall be implemented to ensure that these objectives are achieved as much as possible.

2. Background

The airline industry is subject to comprehensive and strict regulations and to the guidelines issued by the relevant administrative authorities, which influence its operation. It is also characterised by having a marked pro-cyclical aspect with high competition that conditions its financial results and performance.

TAX POLICY

AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS

Air Investment Valencia, S.L., is a majority shareholder of the rest of the companies of the Organisation mentioned above, and it controls them.

Air Nostrum Líneas Aéreas del Mediterráneo, S.A.U., is a regional airline that carries out specialised domestic and international scheduled and chartered carriage of passengers and cargo by air; it operates several services related to such transport (inter alia, in-flight sales and commercial advertising). As part of this activity, it operates domestic, medium and short-haul European routes and flight routes in North Africa. It also offers bareboat or crewed aircraft lease and maintenance services to other European airlines.

Air Nostrum Global Services, S.L.U., provides resource management and investment services related to air transport and management; aeronautical consulting and auditing services; and administration and advice in all areas (legal, administrative, labour, financial, strategic, commercial, technological, etc.). It manages the acquisition and hiring of material resources and human teams for such investment services, human resources consultancy (advice, management, staff selection, recruitment and appraisal, job organisation and assessment), training services, etc. It also deals with the marketing of all types of scheduled air transport activities, wet lease, charter and cargo services, and sale of services associated with air transport, ancillary and complementary services, establishing and coordinating relations with fuel suppliers and insurers, and dealing with registration and modifications of air operator certificates (AOC). Additionally, it sets the standards and criteria for ground, passenger and cargo operations, and the protocols of action of the AOCs to ensure that they comply with the defined standards.

Air Nostrum Engineering and Maintenance Operations, S.L.U., provides maintenance services and technical modifications and adaptations of all kinds of aircraft, engines, and auxiliary equipment both to the Organisation's companies and to external customers. This includes the own purchase or lease of all types of material related to the construction or operation of the aircraft.

TAX POLICY

AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS

Air Nostrum Training Operations, S.L.U., provides training and instruction services in aeronautical matters and programming of training, checks, and crew courses. It also provides development, management, and execution services for training processes, and coordinates and ensures that staff are properly and sufficient to complete such training and check programmes.

Ara Gestión de Tripulaciones y Vuelo, S.L.U., provides crew scheduling and planning services, evaluation of human resources needs and support to flight crews (travel, accommodation, allowances, etc.), as well as support to the operation of the airline companies of the group. It also provides training related to crew management, including the provision of technical assistance, and resource management services and services related to air transport (including air crew) and aeronautical consulting and auditing services, advice related to aircraft, engine and auxiliary equipment or their parts handbooks, and drafting of technical and assistance handbooks of all types of air operation and supporting documentation.

Finally, it should be noted that the Organisation's tax management is carried out under a common direction and management structure, which is ultimately overseen by the respective administrative bodies but developed centrally by the tax management department consisting of Air Nostrum Global Services, S.L.U. staff, which delivers its work and competence to all entities (to which it provides this service). Accordingly, tax and risk management procedures and protocols are established primarily at the headquarters of said department.

The internal audit and the compliance functions are equally shared. They perform their role for the entire Organisation through the Compliance Officer indicated below.

3. Interested parties

Without prejudice to the existence of relevant entities or interest groups in this area (such as the general public, insofar as the taxes paid by the Organisation are one of its main contributions to the advancement of the countries in which it

TAX POLICY

AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS

operates or the Administrations with which it liaises in a sector as relevant and regulated as air transport) or groups concerned by this Policy (such as the employees that make up the Organisation), the following entities are relevant for the purposes of this Policy:

- *Sociedad Estatal de Participaciones Industriales*

Following the economic crisis caused by COVID-19, on 23 June 2022, AIR NOSTRUM signed a Temporary Public Financial Support Agreement and a Financing Contract managed by the Spanish state holding company *Sociedad Estatal de Participaciones Industriales* (SEPI).

This financial support was provided through an equity loan granted to Air Investment Valencia, S.L., which in turn was transferred to the Company to cover its financing needs.

This Financial Support Agreement requires the recipient companies to establish a duly certified regulatory compliance system (for the purposes of which the standard of UNE 19602:2019 has been used) covering criminal and tax risks.

- *Iberia Líneas Aéreas de España S.A. Operadora Unipersonal*

As part of its air transport services activity, the Organisation operates under a strategic alliance with Iberia, which is its main customer. While Iberia has not shown any specific requirements regarding the tax or compliance policy or management of the Companies, it believes that actions in this area will improve its position within this relationship, should the case arise.

- *Public administrations and public institutions or bodies*

AIR NOSTRUM regularly collaborates or provides services to Public Administrations and public institutions or bodies.

In the course of its business activities, it frequently enters into service agreements with the public sector through public tenders. While the existence

TAX POLICY

AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS

of a tax management system is not currently a requirement for tenders or other procurement procedures with the public sector—nor does it determine their award—the Organisation believes that it could become a relevant factor in the field of public administration contracting.

- *Air Nostrum Global Services, S.L.U.*

As indicated above, Air Nostrum Global Services, S.L.U., provides tax management services to the entities of the Organisation (and, therefore, to the Company) through the Tax Management Department, which performs this task centrally for the entire Organisation. Accordingly, it constitutes a relevant party in compliance with this Policy.

In this regard, Air Nostrum Global Services, S.L.U., shall adopt the principles and guidelines set out in this Policy for its application in the services it provides in this matter and, in particular, in the tax management of the entities of the Organisation and, therefore, of the Company.

4. Scope

This Tax Policy is applicable to all employees, officers, and directors of the Company, who must comply with it in all their actions and decisions. If there are dependants or representatives of the Company who are not employees, officers or directors, the Policy will also apply to them with prior notice.

The Board of Directors of the Company and its management team will ensure compliance with this Policy and will promote its monitoring by the Organisation's entities.

In addition, they will be responsible for providing the correct and necessary information for the proper tax management of the Company through the Tax Management Department.

TAX POLICY

AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS

5. Principles of action in tax matters

Tax management and decision-making in this area will be conducted following the principles set out below and which are aligned with the AIR NOSTRUM Code of Ethics:

- Complying with legislation and tax obligations and payment of taxes that are legally enforceable in the different countries and territories in which it operates.
- Making decisions and acting in tax matters, taking into account at least a reasonable interpretation of the regulations, the motivation and business reality of the operations and the location and distribution of material resources, risks and value contribution.
- Avoiding artificial, opaque, or irrelevant economic or business structures and the establishment of entities in tax havens or non-cooperative jurisdictions with the main purpose of limiting the taxation of the Company or its shareholders.
- Maintaining a relationship with the tax authorities based on transparency, good faith, cooperation, reciprocity, and professionalism, without prejudice to any legitimate disputes that, in defence of the interests of the Company and those of its shareholders, may arise with the tax authorities.
- Assessing transactions between entities and concerned persons at market price and any documentation thereof.

6. Monitoring and oversight

The Tax Management Department, in collaboration with the management and other staff of the Organisation and its administrative bodies, including the Company's administrative body, will implement the management and control mechanisms necessary to ensure the proper observance of the principles established in this Policy.

TAX POLICY

AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS

It shall also implement the corresponding procedures and protocols aimed at complying with this Policy and its principles, as well as appropriate information to the financial management of the companies in the Organisation and, ultimately, when appropriate, to the Organisation's Management Committee and/or governing bodies.

Without prejudice to the functions of the Internal Audit Department, the Organisation's Regulatory Compliance Officer will perform his or her duties within the scope of the tax compliance system and will monitor and oversee the proper performance around compliance with the requirements of the Organisation's legal regulations and internal regulations.

Breaches of this Policy might lead to sanction in accordance with the provisions of the Code of Ethics and applicable law.

7. Reporting channel

The Organisation has a reporting channel that is governed by the principles of accessibility, good faith, commitment, confidentiality, impartiality, prohibition of retaliation, culture of compliance, transparency, presumption of innocence, and right to honour.

This channel will be used for information on irregularities or reports of non-compliance with legal rules on tax matters or mandatory internal regulations.

8. Adoption, validity and dissemination

This Tax Policy has been adopted by the Board of Directors of **AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS, S.L.U.**, on 14 December 2023.

Without prejudice to the substantive implementation of the above principles, it shall be effective from 1 January 2024. The governing body shall be the competent body for its amendment.

TAX POLICY

AIR NOSTRUM ENGINEERING AND MAINTENANCE OPERATIONS

The Policy will be made known to all employees, officers and directors by email and will also be made available on the AIR NOSTRUM intranet. In terms of external communication, it will be published on the relevant website.
