



Tallinn Airport

CORPORATE GOVERNANCE CODE

THE ACTIVITIES OF THE TALLINN AIRPORT GROUP INCLUDE THE OPERATION AND DEVELOPMENT OF THE AIRPORTS UNDER ITS MANAGEMENT; THE GROUND HANDLING OF THE AIRCRAFT, THE PASSENGERS AND THE CARGO, AS WELL AS THE PROVISION OF AIR NAVIGATION SERVICES.

The group includes the parent undertaking AS Tallinna Lennujaam and its subsidiary AS Tallinn Airport GH.

The owner of AS Tallinna Lennujaam's shares is the Republic of Estonia and the undertaking reports to the Ministry of Economic Affairs and Communications. The undertaking manages the Lennart Meri Tallinn Airport, Tartu Airport, Pärnu Airport, Kuressaare Airport and Kärdla Airport as well as Kihnu and Ruhnu Airports.

In the organization of its business activities, AS Tallinna Lennujaam is guided by its articles of association and the national legislation.



MANAGEMENT STRUCTURE OF AS TALLINNA LENNUJAAM

The management bodies of AS Tallinn Airport (hereinafter as Undertaking) are the shareholders' general meeting, the supervisory board and the management board.

GENERAL MEETING

The general meeting is the highest management body of AS Tallinna Lennujaam. General meetings are either regular or extraordinary.

The general meeting is held once a year, within the first four months after the end of a financial year. Where necessary, the management board shall convene an extraordinary general meeting.

SUPERVISORY BOARD

It is the duty of the supervisory board to supervise the activities of the management board. The supervisory board shall participate in the making of important decisions concerning the activities of the undertaking. The supervisory board shall operate independently in the interest of the undertaking and its shareholders.

The supervisory board shall determine the strategy of the undertaking, its general plan of action, its risk management principles and its annual budget.

The chairman of the management board shall immediately notify the chairman of the supervisory board of an important events, which might affect the development and management of the undertaking. The chairman of the supervisory board shall notify the members of the supervisory board, and, where necessary, convene an extraordinary meeting of the supervisory board.

The meetings of the supervisory board shall be held as necessary, but no less frequently than once a quarter. A meeting of the supervisory board shall reach a quorum when more than half of the members of the supervisory board take part in the meeting. A decision of the supervisory board shall be regarded as adopted when more than half of the members of the supervisory board that participated in the meeting voted in favor of it. Each member of the supervisory board shall have one vote.

CONFLICT OF INTERESTS

The members of the supervisory board shall avoid conflicts of interests in their activities. In one's activities, a member of the supervisory board shall put the interests of the Undertaking before one's own interests and the interests of any third parties. A member of the supervisory board shall not use commercial offers that are directed at the undertaking in one's own personal interest.

During the drafting of the annual report, a member of the supervisory board shall declare to the auditor any data concerning any related parties.

In the Corporate Governance Code Report, any conflicts of interests that have arisen during the financial year shall be disclosed together with the solutions.

COMPOSITION AND REMUNERATION

Under the articles of association, the supervisory board shall have up to five members. The members of the supervisory board shall be selected for (3) three years by the shareholders' general meeting. The remuneration of the member of the supervisory board shall be determined by the general meeting.

MANAGEMENT BOARD

The management board shall represent the Undertaking and manage its day-to-day operations in accordance with the legislation and the requirements provided in the articles of association. The management board shall be obligated to act in the most economical manner.

In making its decisions, the management board shall be guided by the best interests of the Undertaking and the shareholders, and it shall be obligated to ensure the sustainable development of the Undertaking in accordance with the defined objectives and strategy. The management board shall ensure the functioning of the risk management and internal control procedures.

The meetings of the management board shall be held as necessary, but no less frequently than once a quarter.

CONFLICT OF INTERESTS

The members of the management board shall avoid conflicts of interests in their activities. A member of the management board shall not make any decisions in their own interests.

A member of the management board shall notify the supervisory board and the other members of the management board of the existence of a conflict of interests before the conclusion of a management board member contract, or when it arises at a later time.

A member of the management board shall strictly adhere to the non-competition clause provided in the Commercial Code, and one shall immediately notify the members of the supervisory board of their intent to participate, either directly or indirectly, in business activities within the same field of activities as the undertaking or within a related field of activities.

In addition to the performance of the duties of a member of the management board, the members of the management board may perform other work tasks only with the permission of the members of the supervisory board.

A member of the management board shall not accept money or other benefits for personal gain from third parties in connection with their work, nor shall they provide illegal or unreasonable discounts to third parties in the name of the undertaking.

COMPOSITION AND REMUNERATION

Under the articles of association, the management board of AS Tallinna Lennujaam shall have one to four members who shall be named by the supervisory board for five years. It is within the competence of the supervisory board to recall members of the management board.

The supervisory board shall assign a chairman of the management board who shall organize the activities of the management board. AS Tallinna Lennujaam may be represented in all legal matters either by the chairman of the management board or by two members of the management board.

The principles of remuneration of the management board shall be regulated by the State Assets Act, under which the remuneration shall be determined by the supervisory board. A member of the management board shall receive remuneration for the performance of one's obligations.

AUDIT COMMITTEE

An audit committee is an advisory body in the field of accounting, audit control, risk management, internal control auditing, performance of supervision and budgeting.

The audit committee shall report on its activities, and its members shall be named and recalled by the supervisory board. The committee shall be composed of three members, whose authorizations have a term of three years. The members of the audit committee shall be remunerated in accordance with a decision of the sole-shareholder.

The meetings of the audit committee shall be held on the basis of an agreed-upon schedule, but no less frequently than once a quarter.

The audit firm must provide a comprehensive report to the audit committee concerning any services rendered and the most important observations, and to submit proposals concerning risk management and the control systems.



AS TALLINN AIRPORT GH

The authorizations and obligations of the supervisory board of AS Tallinn Airport GH (Hereinafter as the Subsidiary) shall be based on the articles of association of the Subsidiary. The members of the supervisory board of the Subsidiary shall be named by the management board of AS Tallinna Lennujaam.

The meetings of the supervisory board of the Subsidiary shall be held as necessary, but no less frequently than once a quarter. In convening the meeting, one shall be guided by the articles of association of the Subsidiary and the legislation.

The supervisory board of the Subsidiary shall appoint the management board of the Subsidiary, and determine the remuneration for the activities of the members of the management board of the Subsidiary.

The Subsidiary shall not have an audit committee. The internal auditors of the Undertaking shall also audit the Subsidiary.

CONFLICT OF INTERESTS

The members of the management board of the Subsidiary shall avoid conflicts of interests in their activities. The members of the management board of the Subsidiary shall not make any decisions in their own interests.

A member of the management board of the Subsidiary shall notify the supervisory board of the Subsidiary and the other members of the management board of the Subsidiary of the existence of a conflict of interests before the conclusion of a management board member contract, or when it arises at a later time.

A member of the management board of the Subsidiary shall strictly adhere to the non-competition clause provided in the Commercial Code, and one shall immediately notify the members of the supervisory board of the Subsidiary of their intent to participate, either directly or indirectly, in business activities within the same field of activities as the group or within a related field of activities.

In addition to the performance of the duties of a member of the management board of the Subsidiary, the members of the management board may perform other work tasks only with the permission of the members of the supervisory board of the Subsidiary.

A member of the management board of the Subsidiary shall not accept money or other benefits for personal gain from third parties in connection with their work, nor shall they provide illegal or unreasonable discounts to third parties in the name of the group.



REPORTING

The management board shall prepare the annual financial report of the group in accordance with internationally recognized principles of financial reporting.

The report shall be controlled by the auditor and the supervisory board of the Undertaking. A separate chapter of the annual report describes the management practices of the group and their accordance with the Corporate Governance Code. In case of any differences, the management board of the Undertaking shall add their explanations.

The annual report shall disclose any transactions with any related parties. The remuneration paid to the members of the management board and the supervisory board of both of the companies shall be shown as an aggregate amount in the financial report, without separately disclosing its components, thereat including the social tax in the remuneration.

DISCLOSURE OF THE INFORMATION

Information concerning the composition of the management board and the supervisory board and the auditor of the Undertaking is available on the website of AS Tallinna Lennujaam. The annual report of the Undertaking shall be made available on the website of the Undertaking by no later than the 1st of May.

PERFORMANCE OF SUPERVISION

In the organization of the function of the internal audit, one has been guided by the international standards that specify the performance of internal audits, and the internal procedures of the Undertaking.

The internal auditor shall be responsible for the functioning of the main internal audit processes, who shall have to report to the audit committee and the supervisory board.

In the Undertaking, supervision and control over quality-related, environmental and safety-related activities shall be performed by the internal management system auditors.

Internal management system audits shall be performed in accordance with the procedure for the performance of internal management system audits. The leading quality specialist shall be responsible for the performance of the internal management system audits.

RELATED PARTIES

In the activities of the group, related parties shall be defined as the members of the management boards and the supervisory boards of the parent undertaking and the Subsidiary, as well as any companies who are controlled by the named persons.

Also, related parties shall be such organizations and undertakings that are controlled by the state or where the state has a dominant influence. In the annual report, we shall disclose transactions with air carriers where the state has a dominant influence.

In the treatment extended to any related parties, we shall be guided by the principles of the Anti-corruption Act.

Our objective is to avoid conflicts of interests, prevent fraudulent activities, avoid financial losses and damages to our reputation, avoid deterioration of the customer relationships as well as the theft of business secrets and assets.

