

PEGASUS HAVA TAŞIMACILIĞI A.Ş. ETHICAL BEHAVIOR GUIDE

This document is prepared as a public informative note regarding the principal terms set out in the “Pegasus Ethical Behavior Guide” adopted by the resolution of the Board of Directors of Pegasus Hava Taşımacılığı Anonim Şirketi (“Pegasus”) dated June 1, 2022, and numbered 746.

OUR AIM OF BEING, CORPORATE VALUES AND BEHAVIOR PRINCIPLES

Our Company operates in line with the strategic targets determined in accordance with our aim of being shown below and our motto of: “Everybody has the right to fly.”

Our Aim of Being is: To be the leading low-cost carrier in our region, enabling everybody to travel safely with low fares and on-time.

Our strategic targets are also underpinned by our key corporate values of: innovation, people orientation, competitiveness, result orientation, and effectiveness & efficiency

Pegasus builds up honest, respectful, fair and trustful behavior based on reason, conscience and common sense while performing all activities. These fundamental principles and the terms of Pegasus Ethical Behavior Guide are determinative for all our commercial decisions.

Honesty: Represents acting in honesty, in line with legal regulations and complying with Pegasus Ethical Behavior Guide in all our relations.

Respect: Represents respecting each other, guests, suppliers, other persons and entities we work and interact with within courtesy rules.

Fairness: Represents evaluating the interests of every party and acting fair in each decision or transactions.

Reliability: Represents acting in conformance with all laws and regulations, providing full, accurate and comprehensible information with all stakeholders, protecting long term benefits, timely and complete fulfillment of responsibilities.

WHAT IS PEGASUS ETHICAL BEHAVIOR GUIDE?

Pegasus Ethical Behavior Guide comprises the main principles regarding honest, respectful, fair and trustful behavior based on reason, conscience and common sense when interacting with employees, guests, customers, suppliers and other persons and entities we work and interact with other parties.

WHO MUST FOLLOW PEGASUS ETHICAL BEHAVIOR GUIDE?

Rules of Ethical Behavior Guide covers all employees and managers, including the members of the Board of Directors, of Pegasus and its financially consolidated subsidiaries. All of the said persons are referred to as “Employees” in the Ethical Behavior Guide.

WHY DO WE NEED ETHICAL BEHAVIOR GUIDE?

Today, we are witnessing a global transformation that no longer finds financial success of a company sufficient, and equally demands its realization of actions sensitive to the environment, to social issues and to a more inclusive governance structure. As Pegasus, we aim to pursue our operations and our strategy in alignment with this perspective. Ethical Behavior Guide is prepared as a guideline that will help all our employees when performing our daily activities to make sure that our company attains its targets while upholding its reputation and the reputation of its stakeholders, aligned to the highest international standards.

MANAGEMENT COMMITMENT

Pegasus Board of Directors, Chief Executive Officer (CEO) and members of the senior management directly reporting to the CEO commit to:

- Maintain honest, respectful, fair and trustful based on reason, conscience and common sense while performing all our activities,
- Establish open, collaborative and friendly relationships in every aspect,
- Comply, protect, and uphold the values set out in Ethical Behavior Guide,
- Act in conformance with all applicable laws, rules and regulations,
- Provide full, accurate and comprehensible information in the reports and documents which are made public or send to the registered regulatory bodies,
- Work to preserve a Company culture and working environment that promotes the ethical principles set out in Pegasus Ethical Behavior Guide to achieve Company targets, provide the safety and satisfaction of our guests.

Behavior expected from our employees within the scope of Pegasus Ethical Behavior Guide is described below.

1. Our Responsibilities

In line with our legal obligations, Pegasus gives utmost importance to fulfill its responsibilities towards employees, guests, competitors, public organizations and institutions, suppliers, shareholders, environment and the media.

In this respect and in particular:

- We act knowing that Safety Management is our main responsibility, and we aim to conduct honest, respectful, fair and trustworthy communication to realize guest satisfaction.
- We undertake to comply with the fair competition rules in all our activities to comply with relevant competition laws and regulations and act honestly.
- We aim to implement equal opportunity to all candidates during hiring and we aim to hire the right person for the right job.
- We provide the necessary information accurately and in a comprehensible manner, as provided in the applicable law, to our shareholders regarding our operational and financial results, our strategies, investments and our risk profile. We undertake the necessary measures to protect inside information and the prevention of their misuse or their breach.

Our Responsibilities Regarding Anti-Corruption

- When we pursue our operations, we act in accordance with our legal obligations regarding fight against corruption and crime and internationally accepted governance actions on anti-corruption and prevention of crime, including, first and foremost our corporate undertakings as part of the United Nations Global Compact and its principles.
- Any corrupt behavior or transaction by our employees in violation of the law or with the aim of deriving unfair or unauthorized benefit, or any unfair benefits provided to the persons or entities they work with is unacceptable.

Relations with Public Institutions and Regulatory Authorities

- While executing our activities, treat all public organizations and institutions with respectful and attentive manner, and we fulfil our liabilities with a sense of responsibility.
- It is forbidden for our Employees to get any illegal benefit from public institutions or organizations, to make payments, give bribes, gifts or offer any commitment.
- We provide accurate, correct, clear information to the public organizations and institutions.

Our Responsibilities Regarding Working Environment

- As Pegasus, we fulfill the requirements on labor law and regulations, and we further adopt nationally and internationally accepted principles on the protection of human rights. In line with this approach, Pegasus became the first Turkish airline signatory to the United Nations Global Compact principles in 2019.
- Within this scope, Pegasus supports human rights declared by the United Nations, denounces discrimination, any unlawful forced labor and child labor practices as unacceptable and takes the necessary measures for their prevention. We expect all our employees to act in accordance with these principles.

Environmental Responsibilities

- We comply with national and international environmental regulations, our environmental principles and undertakings as part of our United Nations Global Compact commitments, aviation regulations and ISO 14001 standard requirements.
- Employees are expected to comply with the applicable laws and regulations and Company procedures. In case of any kind of situation which involves the discharge of environment or could potentially harm people / environment, management should be informed.
- We are committed to improve our environment management system towards achieving sustainability, protect public health, protect environment and increase environmental consciousness and awareness.

2. Conflict Of Interest

In principle, our employees are not allowed to offer or receive gifts or similar benefits and such transactions always require the approval of the Ethics Committee.

Our Company regulations do now allow our employees to establish or operate in areas that may give rise to a conflict of interest or another business operating in the field of aviation or become shareholders or assume any duties including managerial duties.

Our Company regulations also require our employees to obtain the Ethics Committee consent for assuming any duties in businesses operating outside of the field of aviation, to undertake any managerial or employment duties in such entities or to undertake any responsibility in any educational institution, university or a public entity or institution.

3. Protection of Company Assets and Safety

All our employees know that Company assets is for Company use only.

Our employees are responsible for maintaining and protecting the confidentiality of information relating to other employees, guests, customers, suppliers and other persons and entities we work an interact with.

Our employees are expected to ensure that their actions do not place them or others under any risk. Our employees are expected to comply with all applicable health and safety regulations and Occupational Health and Safety Regulations to create safe, healthy and secure working place.

4. Social Media and Political Activities

Pegasus does not conduct activities on behalf of any political parties. We refrain from any expression or activity relating to political events or on the social media that can be perceived as representing Pegasus or that may affect the Company's credibility.

COMPLIANCE WITH PEGASUS ETHICAL BEHAVIOR GUIDE

Pegasus Ethics Committee is established to ensure the proper practice of Ethical Behavior Guide. Ethics Committee also ensure the objective evaluation complaints and notifications concerning violation of Ethical Behavior Guide. Ethics Committee members are selected to ensure fair governance culture and the highest degree of objectivity. Members are selected in the context of working dynamics to provide the environment for critical discussion, with a view to achieve fair results. Ethics Committee is composed of the top managers from Human Resources, Internal Audit and Finance Departments and two other members elected by the Ethics Committee, directly reporting to the CEO at Senior Vice-President level or above.

Pegasus is committed to prevent any retaliation or harm against employees for notifications made within the scope of Pegasus Ethical Behavior Guide.

Pegasus ensures that regular training is provided to, and acknowledgments are received from employees to increase awareness on Pegasus Ethical Behavior Guide and ensure clear comprehension of its content.

For any concerns regarding non-compliance, you may directly contact: etik@flypgs.com.