



Related Party Transactions Management Framework

Date of entry into force	19.01.2024
---------------------------------	------------

Edition	1 st
----------------	-----------------

Table of contents	Error! Bookmark not defined.
1. Introduction	4
2. Purpose	4
3. Field of application	4
4. Definitions.....	4
Related Party (according to IAS 24)	4
Transaction	6
Related Party Transaction.....	6
Material Transaction	7
Ordinary Transactions or Normal Course of Business Transactions.....	7
Qualified Related Party Transactions.....	7
Other Definitions	8
5. Transactions with Related Parties Process	10
5.1 Procedure for determining Related Parties	10
5.2 Identifying and Evaluating Transactions with Related Parties	11
5.3 Approval of Qualified Related Parties Transactions	12
6. Excluded Transactions.....	13
7. Disclosure of Related Party Transactions.....	13
7.1 Publication through the Company’s website	13
7.2. Annual and Biannual Disclosure – Board report	14
8. Application - Validity & Revision	15
[Annex A].....	16
[Annex B].....	17
TABLE OF CONTENTS	18
1. INTRODUCTION	19
2. PURPOSE.....	19
3. DEFINITIONS	19
4. CONFLICT OF INTEREST	20
5. NOTIFICATION – DETECTION OF CONFLICT OF INTEREST	20



THEON

INTERNATIONAL

Advanced Optronics

6. EVALUATION OF NOTIFIED/DETECTED CONFLICT	21
7. TAKING OF MEASURES FOR THE MANAGEMENT OF CONFLICT OF INTEREST	22
8. RECORD KEEPING AND UPDATING	22
[ANNEX].....	24



1. Introduction

Theon International PLC (hereinafter "the Company") in accordance with the provisions of applicable law and regulation, as well as the International Accounting Standard (IAS) 24 *Related Party Disclosures* draws up this Related Party Transactions Managing Framework defining the framework of actions in possible cases of conducting transactions and entering into contracts with related parties during its business activity.

2. Purpose

The purpose of the process is to:

- Identify related parties to the Company,
- Establish the rules and procedures aimed at ensuring transparency and effective supervision of the Company's contracts or transactions with related parties,
- Set the rules and procedures regarding the identification, evaluation, approval, and disclosure of transactions with related parties in accordance with relevant provisions of corporate legislation.

3. Field of application

The process is binding for transactions/contracts concluded between the Company and its related parties. It also governs the contracts regarding compensation of members of the Board of Directors (hereinafter, "Board") of the Company for services rendered under special relationships, such as employment contracts, projects, or mandates. Fees outlined in the Remuneration Policy for their Board member roles are exempt from this process.

The process is also applied by extension, to the subsidiary companies within the Group (hereinafter "Group Companies"), adhering to the specific requirements outlined in the prevailing legislation (listed or not listed Companies). Such application is carried out on a case-by-case basis by the relevant organizational units and approval bodies of each Group Company.

In the event that, EU law, Cyprus, law, Dutch law, the Dutch Corporate Governance Code applicable accounting standards, or other applicable Dutch regulations or any other regulations applicable for Group Companies establish alternative procedures, criteria, or rules with respect to the transactions/contracts concluded between the Company (or the Group Companies) and their related parties, said procedures, criteria or rules shall prevail over this Policy.

4. Definitions

Related Party (according to IAS 24)

A person or entity that is related to the Company or a Group Company (the "Reporting Entity"):

- A.** A person or a Close Family Member of that person is related to a reporting entity if that person:
- i. has Control or Joint Control over the Reporting Entity;
 - ii. has Significant Influence over the Reporting Entity; or
 - iii. is a member of the key management personnel of the Reporting Entity or of a parent of the Reporting Entity.
- B.** An entity is related to a Reporting Entity if any of the following conditions applies:
- i. The entity and the Reporting Entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
 - ii. One entity is an Associate or Joint Venture of the other entity (or an Associate or Joint Venture of a member of a group of which the other entity is a member).
 - iii. Both entities are Joint Ventures of the same third party.
 - iv. One entity is a Joint Venture of a third entity, and the other entity is an Associate of the third entity.
 - v. The entity is a post-employment defined benefit plan for the benefit of employees of either the Reporting Entity or an entity related to the Reporting Entity. If the Reporting Entity is itself such a plan, the sponsoring employers are also related to the Reporting Entity.
 - vi. The entity is Controlled or Jointly Controlled by a person identified in (A).
 - vii. A person identified in (A)(i) has Significant Influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the Reporting Entity or to the parent of the Reporting Entity.
- C.** “Close Family Members” of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:
- i. that person’s children and spouse or domestic partner,
 - ii. children of that person’s spouse or domestic partner, and
 - iii. dependents of that person or that person’s spouse or domestic partner.

The following parties are deemed not to be related:

- (a) Two entities simply because they have a director or other member of key management personnel in common, or because a member of key management personnel of one entity has significant influence over the other entity.
- (b) Two venturers who share joint Control over a Joint Venture.

- (c) Providers of finance, trade unions, public utilities, and departments and agencies of a government that does not Control, jointly Control, or significantly influence the Reporting Entity, simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process).
- (d) A single customer, supplier, franchiser, distributor, or general agent with whom an entity transacts a significant volume of business merely by virtue of the resulting economic dependence.

It is noted that, in considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

For non publicly traded companies, related parties are defined as follows:

- Members of the Board,
- Individuals having Control over the Company,
- Close Family Members of these individuals
- Legal entities controlled by the aforementioned parties.

Transaction

Any legal relationship or binding arrangement of any nature in the broadest sense, such as financial transactions, indebtedness, guarantees, employment agreements and consultancy agreements as well as the termination or waiver of rights under, or amendment to, any transaction, agreement or arrangement. Such transactions also encompass corporate actions executed by the Company that exhibit contractual characteristics, like the formation of a new entity.

Related Party Transaction

A Transaction with a Related Party encompasses any Transaction that establishes a provision relationship between the Company and the Related Party, regardless on whether a price is charged.

Indicative examples of Transactions that the Company may enter with a Related Party and may therefore constitute Related Party Transactions are the following:

- i. purchases or sales of goods (finished or WIP);
- ii. purchases or sales of real estate and other assets (including intangible assets);
- iii. providing or receiving services;
- iv. leases;
- v. employment, project and commission contracts;

- vi. concession agreements;
- vii. loans and financial contracts in general;
- viii. providing guarantees or collateral;
- ix. compromises and donations
- x. distribution contracts
- xi. the settlement of obligations on behalf of the Company or by the Company on behalf of the Related Party

Material Transaction

A Related Party Transaction is considered material if the information about the Related Party Transaction is considered inside information as defined in Article 7(1) of the Market Abuse Regulation (EU) No 596/2014.

Furthermore, a transaction with a related party is considered material if it equals or exceeds either (a) 1% of the value of the total assets of the Company in accordance with the latest published annual financial statements, or (b) 2.5% of the turnover of the Company in accordance with the latest published annual financial statements.

In the event the Company drafts consolidated financial statements, the percentages mentioned above are calculated in accordance with the consolidated financial statements.

Ordinary Transactions or Normal Course of Business Transactions

Ordinary Transactions are those that are conducted regularly, as well as they are directly related to the Company's business operations and objectives, both in terms of their nature and scale. These Transactions take place under normal market conditions while adhering to the principle of "at arm's length".

Qualified Related Party Transactions

A Related Party Transaction is considered Qualified if the following conditions are met cumulatively:

- i. The Related Party Transaction is Material
- ii. The Related Party Transaction is not Ordinary

- iii. The Related Party Transaction does not fall within the Excluded Transactions set out in Section 6.

For Qualified Related Party Transactions, approval by the Board is required, as set - out in Section 5.

Other Definitions

Control: A person or an entity is considered to control the Reporting Entity when it is exposed, or has rights, to variable returns from its involvement with the Reporting Entity and has the ability to affect those returns through its power over the Reporting Entity.

A person or an entity controls a Reporting Entity if and only if said person or entity has all of the following elements:

- i. power over the Reporting Entity, i.e., the said person or entity has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the reporting entity's returns)
- ii. exposure, or rights, to variable returns from its involvement with the Reporting Entity
- iii. the ability to use its power over the Reporting Entity to affect the amount of the said person's or entity's returns.

Power arises from rights. Such rights can be straightforward (e.g., through voting rights) or be complex (e.g., embedded in contractual arrangements). A person or an entity that holds only protective rights cannot have power over a Reporting Entity and so cannot Control a Reporting Entity.

A person or an entity must be exposed, or have rights, to variable returns from its involvement with a Reporting Entity to Control said Reporting Entity. Such returns must have the potential to vary as a result of the Reporting Entity's performance and can be positive, negative, or both.

In order to Control a Reporting Entity, a person or an entity must not only have power over a Reporting Entity and exposure or rights to variable returns from its involvement with the Reporting Entity but must also have the ability to use its power over the Reporting Entity to affect its returns from its involvement with the Reporting Entity.

Joint Control: The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Executive Leadership: Executive Leadership is defined as those individuals who have the authority and responsibility for the planning, management, and control of the Company's activities, directly or

indirectly. The Executive Leadership includes the members of the Board as well as the top managers of the Company, to whom the above responsibilities have been assigned.

Significant influence: Where an entity or a person holds 20% or more of the voting power (directly or through subsidiaries) on a Reporting Entity, it will be presumed the said person or entity has Significant Influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the person or entity will be presumed not to have Significant Influence unless such influence can be clearly demonstrated. A substantial or majority ownership by another person or entity does not necessarily preclude said person or entity from having Significant Influence.

The existence of Significant Influence by a person or an entity is usually evidenced in one or more of the following ways:

- representation on the Board or equivalent governing body of the Reporting Entity;
- participation in the policy-making process, including participation in decisions about dividends or other distributions;
- material transactions between said person or entity and the Reporting Entity;
- interchange of managerial personnel; or
- provision of essential technical information

The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether a person or an entity has Significant Influence. In assessing whether potential voting rights contribute to Significant Influence, the person or entity examines all facts and circumstances that affect potential rights.

A person or an entity loses Significant Influence over a reporting entity when it loses the power to participate in the financial and operating policy decisions of that Reporting Entity. The loss of Significant Influence can occur with or without a change in absolute or relative ownership levels.

Group: is a parent company and its subsidiaries. The parent is defined as the economic entity that controls one or more entities, and the subsidiary as the economic entity that is controlled by another.

Associate: An entity over which a person or entity has significant influence.

Joint arrangement: An arrangement of which two or more parties have joint control.

Joint Venture: A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

5. Transactions with Related Parties Process

Qualified Related Party Transactions, as well as the provision of securities and guarantees to third parties in favor of Related Parties, must be approved by the Board (or in the case of Group Companies, by any other competent corporate body). If a Qualified Related Party Transaction involves a member of the Board, that member may not take part in the decision-making process to approve the Qualified Related Party Transaction.

To obtain the above approval, the following procedure is followed, subject to the exceptions outlined in Section 5.3.

5.1 Procedure for determining Related Parties

The Finance Department, in collaboration with the Legal Department, is responsible for compiling and maintaining a list of Related Parties, as outlined in [Annex A]. This list contains details of the Company's and Group Companies Related Parties and is regularly updated. The identification of the Related Parties is conducted following the collection and evaluation of the information obtained through the templates provided in [Annex B].

For the compilation of the list, the following are taken into account:

- the current list of subsidiaries and associates, as these are incorporated each time in the Group's consolidated financial statements, as presented in [Template II of Annex B] and maintained by the Finance Department,
- the information collected from the completion of [Template of Annex] by the Executive Leadership and the shareholders who exercise Control/Significant Influence (natural persons). This information is utilized to identify and notify their directly related parties.

If the shareholders who exercise Control/Significant Influence are legal entities, based on the applicable shareholding composition of the Company (and of the Group Companies as the case may be), the Finance Department sends [Template III of Annex B], to complete their related entities.

All the above parties must, within ten (10) working days of receiving the request, provide all the relevant information to the Finance Department by completing [Template I or III of Annex B].

The list of Related Parties is updated at least on a bi annual basis by the Finance Department with relevant communication with the above parties.

Related Parties to the Company and the Group Companies, are obliged to declare immediately and voluntarily any change that has occurred or any information that comes to their knowledge in relation to

the above. Also, the Finance Department may request the updating of the list whenever it deems it appropriate or necessary.

The updated list is communicated by the Finance Department to the Executive Leadership and shareholders who exercise Control/Significant Influence so that they always have the most recent information.

5.2 Identifying and Evaluating Transactions with Related Parties

Identifying a Related Party Transaction can be done in the following ways:

- The Finance Department, in collaboration with the Legal Department, based on the list of related parties in Template A, ensures the timely evaluation of any upcoming Related Party Transactions, to identify whether said Related Party Transactions constitute Qualified Related Party Transactions, and therefore the approval process as set- out under Section 5.3 must be followed.
- Before entering a Transaction with the Company, each member of the Executive Leadership or shareholder who exercises Control/Significant Influence or any Close Family Members, bears the responsibility of notifying the Finance Department and the Legal Department of the impending Transaction, for the purposes of its evaluation by the Company.

The Finance Department, in collaboration with the Legal Department, reviews the list of Related Parties, to determine whether the envisaged Transaction is Material, Ordinary, and whether the Transaction is an Excluded Transaction under Section 6, to confirm if the Transaction is a non – Qualified Transaction which can be carried out without the approval set – out under Section 5.3. If a Transaction is considered as non – Qualified, the Finance Department immediately informs the CEO of the Company as follows:

- If it is an Ordinary Transaction submits a simple update to the CEO with the details of the Transaction and proceeds normally with the Transaction.
- If it is an Excluded Transaction of Section 6, it proceeds with the transaction, without the need to inform the CEO.
- If it is not an Excluded Transaction of Section 6, it submits a detailed written proposal through the CEO, to the Board with the details of the Transaction together with a request for approval from the Board.

Note: No related party, directly or indirectly associated with the involved parties, is permitted to participate in the evaluation process. This prohibition includes individuals or entities with familial,

financial, or organizational connections. The Finance and Legal departments are exclusively responsible for conducting the evaluation to ensure impartiality and compliance.

5.3 Approval of Qualified Related Parties Transactions

Once the Finance Department in collaboration with the Legal Department, identifies, upon relevant review, that an upcoming Transaction is a Qualified Related Party Transaction, an approval is required, which is granted by decision of the Board, provided that the value of the Transaction equals or exceeds €70.000 which is calculated in the prescribed manner of the Material Transaction definition hereof.

During the general meeting of the shareholders of the Company, the shareholders have a voting right in respect of Qualified Related Parties Transactions that have been approved by the Board.

The Finance Department in collaboration with the Legal Department, assigns to a certified auditor/accountant or an auditing firm or another independent to the Company third party possessing the appropriate expertise and professional competence, the task of evaluating and recommending, whether the Transaction is fair and reasonable to the Company and to the shareholders who are not Related Parties, including minority shareholders of the Company, as well as explaining the assumptions on which the evaluation-recommendation was based and the methods used. The evaluation-recommendation must be drawn up and delivered as soon as possible and in any case within fifteen (15) working days of the assignment. Upon completion of the evaluation-recommendation, it is submitted, through the CEO, to the Board for approval or rejection of the Transaction.

The Board approves or rejects the above evaluation-recommendation. The Board may decide, with specific and detailed justification, differently from the above evaluation-recommendation, only if the majority of its non-executive-independent members are drawn up against the evaluation-recommendation. If a Board member, or Related Party to a Board member, or a shareholder is involved in the Transaction under evaluation, the Board member shall not participate in the voting and approval process. The same restriction to participation applies in the preparation and drafting of the aforementioned evaluation-recommendation report as well.

When examining the envisaged Transaction, the Board must consider all relevant facts and circumstances, including without limitation the commercial reasonableness of the terms, the benefit and perceived benefit, or lack thereof, to the Company, opportunity costs of alternate Transactions, the materiality and character of the Related Party's direct or indirect interest, and the actual or apparent conflict of interest of the Related Party. The Board may decide, upon review of all relevant information, that the Transaction is not Material, and thus no further review is required under this Policy. In the same way, if the Board decides that the Transaction does not constitute a Qualified Related Party Transaction, no further review is required under this Policy.

In case of:

- The Board approves the Transaction and grants approval, the Finance Department and the Director of Investor Relations department are informed to proceed with the publication of the Transaction as per Section 7.
- The Board refuses to grant approval for the Transaction, the Finance Department is informed and files the case.

If the decision by the Board is not feasible, because the quorum required by law is not formed, due to a conflict of interests of most of its members, then the other members of the Board, regardless of their number, must convene a General Meeting (GM) with the sole purpose of making this decision.

6. Excluded Transactions

The prohibition on engaging in Related Party Transactions with Related Parties and the subsequent requirement for Board approval do not extend to the following types of Transactions:

- A) Transactions regarding the remuneration of the members of the Board (Executive and Non-Executive)
- B) Company's Transactions with its shareholders are permissible as long as the opportunity to engage in such Transactions is extended to all shareholders on the same terms, guaranteeing equal treatment of all shareholders and safeguarding the Company's interests and its related business.
- C) Transactions with the Company's 100% Subsidiary or a Subsidiary in which (apart from the Subsidiary itself) no other Related Party is involved, as well as contracts for the provision of securities or guarantees to these mentioned parties when they serve the best interest of:
 - (i) the Company and its subsidiary.
 - (ii) Shareholders of both the Company and the Subsidiary who are not Related Parties to the Company, including minority shareholders, and when their interests are not at risk.
- D) Any other case set forth by the relevant applicable regulation or legislation as in force from time to time, as long as the relevant provisions adequately address and protect the fair treatment of all shareholders, the interests of the Company, and shareholders who are not considered Related Parties, including minority shareholders.

7. Disclosure of Related Party Transactions

7.1 Publication through the Company's website

In accordance with applicable law and regulations, the Company shall publicly announce Qualified Related Party Transactions no later than at the time of the conclusion of the Transaction on the

Company's website, provided their value equals or exceeds €35.000, which is calculated in the prescribed manner of the Material Transaction definition hereof.

Similarly, the Company shall publicly announce Qualified Related Party Transactions concluded between the Related Party of the Company and that Company's Subsidiary.

The aforementioned announcements contain at the very least the following information:

- The nature of the Company's relationship with the Related Party,
- The name of the Related Party,
- The Transaction's date and value,
- The date and value of the Transaction,
- Any other pertinent details required for an assessment of the Transaction's fairness and reasonableness, both to the Company and those not related, such as minority shareholders.
- The report from the certified auditor/accountant or audit firm, which evaluates whether the Transaction meets the criteria of fairness and reasonableness to the Company and its unrelated shareholders, including minority shareholders.

7.2. Annual and Biannual Disclosure – Board report

In compliance with the relevant legal requirements, the Company's annual and bi annual Board reports encompass a comprehensive account of the Company's Related Party Transactions, including the disclosure of the most significant transactions involving Related Parties, as well as a detailed record of Transactions between the Company and each Related Party conducted during the corresponding financial year. These are limited to Transactions that had a substantial impact on the Company's financial position or performance during that period.

More specifically, the report contains at least:

- (a) the amount of such Transactions;
- (b) their outstanding balance at the end of the period;
- (c) the nature of the Related Party's relationship with the Company,
- (d) any further details regarding Transactions that are essential for comprehending the Company's financial position are disclosed, provided that these Transactions are of significant materiality and were not conducted under typical market conditions.

Related Party Transactions shall furthermore be approved and/or disclosed in the manner, according to the process of, and to the extent required under EU law, Dutch law, the Dutch Corporate Governance

Code applicable accounting standards, or other applicable Dutch regulations or any other regulations applicable for Group Companies.

For the avoidance of doubt, the review or approval of a Transaction pursuant to this Policy does not necessarily imply that such Transaction is required to be disclosed.

8. Application - Validity & Revision

This process, as well as any amendment thereof, shall be approved by the Board, comes into force immediately and is applied by the Company as well as the Group Companies. It is noted that in cases of amendment of the Annexes, the re-approval by the Board is not necessary.

The Finance Department, in collaboration with the Legal Department, is responsible for the regular monitoring of any changes in the relevant regulatory/regulatory framework and must modify and/or revise the provisions of this process, whenever this is required, in order to ensure the effective achievement of its goals.



THEON

INTERNATIONAL

Advanced Optronics

[Annex A]





[Annex B]

Conflict of Interest Policy

Date of entry into force

19.01.2024

Edition

1st

TABLE OF CONTENTS

TABLE OF CONTENTS	18
1. INTRODUCTION	19
2. PURPOSE	19
3. DEFINITIONS	19
4. CONFLICT OF INTEREST	20
5. NOTIFICATION – DETECTION OF CONFLICT OF INTEREST	20
6. EVALUATION OF NOTIFIED/DETECTED CONFLICT	21
7. TAKING OF MEASURES FOR THE MANAGEMENT OF CONFLICT OF INTEREST	22
8. RECORD KEEPING AND UPDATING	22
[ANNEX]	24

1. INTRODUCTION

1.1. Theon International PLC (hereinafter referred to as the “Company”) acknowledges that the prevention, management, and elimination of cases of conflict of interest constitutes a necessary condition for its smooth and integrated business operation. Within this framework, the Company has adopted and applies a “Policy and Procedure for the prevention, detection and management of conflict of interest” (hereinafter referred to as the “Policy”), in which the term “conflict of interest” is defined, and the general principles and the basic rules and organizational regulations for their prevention and management are set out. In The Policy also includes procedures for the prevention of conflict of interest, measures for the disclosure and management of the conflict of interest, and any cases and conditions that, exceptionally, it would be allowed for a member of the Board of Directors (hereinafter, the “BoD”) or Senior Executive Officer to have a conflict of interest, provided that the aforementioned interest of the member or the Senior Executive Officer is significantly restricted or constitutes an object of proper management.

1.2. All Covered Persons, as below defined, must comply with the Policy.

1.3. All actual and potential conflicts of interest constitute a subject requiring sufficient communication, discussion, documentation, decision-making and due management (that are required steps for the mitigation of an actual or perceived conflict of interest).

1.4. The Policy shall be applicable to the Company as well as to all subsidiaries of the Theon International Plc group (collectively called “Theon Group”), to the extent possible under the respective laws of the jurisdiction that each subsidiary maintains its registered office.

2. PURPOSE

2.1. The purpose of the Policy is to offer guidance to all Covered Persons (as defined below) about how the conflicts of interest are defined, how they can be identified, and which procedures must be followed, when these conflicts occur.

2.2. More specifically, the purpose of the Policy is the explanation of the means and methods, by which the Company:

- Detects circumstances, under which conflict of interest may arise, that may present a substantial risk for the interest of the Parties Concerned (as defined below).
- Adopts proper procedures, mechanisms and systems for the management of the declared conflict.
- Plans and applies procedures and systems aiming at the prevention of any damages to the interest of the Parties Concerned (as defined below) caused by any cases of conflict of interest.

3. DEFINITIONS

3.1. The term “Covered Persons” includes the following:

- a. the members of the Company Board of Directors;
- b. the members of the Theon Group executive committees, the executive officers (managers) (or/and other persons who hold equivalent positions);
- c. the employees of Theon Group;
- d. the Company shareholders, who hold a participation rate (shareholding percentage) or voting rights equal or higher than the 5% of the Company’s issued share capital;
- e. any person (natural person or legal entity, employee or external associate), whose services are available to Theon Group and who participates in the provision and execution of any kind of services and activities of Theon Group.

3.2. The term "Related Party" means the individuals linked by family ties to any Covered Person, legal entities, the administration/management of which is performed by a Covered Person, or which are directly or indirectly controlled by a Covered Person.

3.3. The term "individuals linked by family ties" includes the following:

- a. the children and the spouse (female/male) of the Related Party or the individual with whom he/she cohabits;
- b. the children of the spouse (female/male) of the Related Party or the individual with whom he/she cohabits; and
- c. the individuals depended on this person, or on his/her spouse or on the individual with whom he/she cohabits.

3.4. The term "Parties Concerned" includes the investors, suppliers, partners, customers, or/and the co-workers of the Company.

4. CONFLICT OF INTEREST

4.1. Conflict of interest refers to a situation as this might exist under any applicable law, regulation and/or directive and/or any situation in which the personal interests of employees, executives, or members of the BoD could compromise their ability to make objective decisions in the best interests of the Company and/or Theon Group. This conflict can arise when individuals have competing financial, personal, or professional interests that may conflict with their responsibilities to the Company and/or Theon Group.

4.2. The conflict of interest that fall under the application scope of this Policy may be actual or potential:

a) **An actual or perceived conflict of interest** arises when there is direct conflict between a member's duties and responsibilities and their actual personal interests which might influence the performance of those duties.

b) **A potential conflict of interest** might arise when a person is not yet in a situation of an actual conflict of interest, but his/her personal interests such that it is highly likely that in the future the situation the person is currently in, might become an actual conflict of interest.

4.3. In case that any Covered Person has doubts about the extent to which he/she faces a case of conflict of interest, or he/she wishes any other relevant explanations about issues of conflict of interest that may arise, he/she must address the Compliance Department of the Company for the provision of relevant guidance.

4.4. Without limitation, an actual or potential conflict of interest might arise in situations where a Covered Person or/and a Related Party or/and an individual linked by family ties has dealings or interests in businesses that operate in the same market as the Company as well as suppliers or customers of the Company. Any close ties or relationship with the aforementioned persons could also lead to the creation of circumstances constituting a conflict of interest.

4.5. To the extent permissible under the applicable employment law as well as to the extent not covered by the respective contract of the Covered Persons with the Company, no such persons may undertake any other work, especially any work associated with the persons concerned under clause 3.1. without the prior written approval of the BoD.

5. NOTIFICATION – DETECTION OF CONFLICT OF INTEREST

5.1. All Covered Persons are obliged to timely notify the Compliance Department of the Company of any situation of a conflict of interest (actual or potential), which may occur to them, and seek guidance from the above department in relation to the management of the conflict. To this end, they are immediately obliged, as soon as a situation of a conflict of interest arises to formally declare it and inform the Compliance Department. A Conflict of Interest Declaration Form is attached in [Annex] of this policy (hereinafter, as the "Declaration").

The above Declaration should be filled in any case by the following persons:

- **The members of the BoD and any third party to whom the BoD has assigned any of its responsibilities and the members of the Audit Committee and the Nominations and Remuneration Committee**, are obliged to complete and submit the Declaration upon their appointment/undertaking of their duties in the Company, and in the future to update and file it again at least on a **yearly basis** and whenever it is deemed necessary within the year (e.g. once a new situation of a conflict of interest arises or a previously declared conflict ceases to occur). The existing members of the BoD shall file the Declaration within a reasonable period of time after the adoption of the Policy.
- **The executive officers (e.g. head of departments /supervisors of departments), of the Company (or persons at equivalent positions)** are obliged to complete and file the Declaration upon undertaking their duties in the Company, and in the future, to update and file it again, whenever it is deemed necessary. The executive officers and/or heads and/or supervisors of departments must file the Declaration within a reasonable period of time, after the adoption of the Policy.
- **All other Covered Persons** (e.g. co-workers of the Company) are obliged to complete and file the Declaration only in case that a situation of a conflict of interest arises and, in the future, to update and file it again whenever it is deemed necessary.

5.2. The Covered Persons are obliged to report to the Company's Compliance Department any case of which they become aware and which they acknowledge as a conflict of interest (or even as a possible case of becoming a conflict) for any other Covered Person, as well as any possible breach of the above Policy, of which they become aware.

6. EVALUATION OF NOTIFIED/DETECTED CONFLICT

6.1. The Compliance Department collects all Declarations or other notifications of situations of conflict of interest filed with it in accordance with the provisions of section 5 of the Policy, whereas at the same time it records in collaboration with the Legal Department any other situation of a conflict of interest as well, of which it may have become aware.

6.2. As soon as the Compliance Department becomes aware of a possible case of a conflict of interest, by any of the aforementioned Covered Persons under clause 5.1, notifies in writing the involved Covered Person about the commencement of the procedures for the investigation of the matter and then it proceeds, in collaboration with the Legal Department, to all required acts with the purpose of evaluating the situation and determining whether there is actually a conflict of interest, as well as which is the nature and the extent of severity of the case. For the purpose of execution of the required evaluation all special circumstances of each case are taken into account, and it must be ensured that its final resolution is based on transparent and objective data.

6.3. In the framework of the above evaluation, the Compliance Department in collaboration with the Legal Department may invite the involved Covered Person to a discussion of the facts of the examined conflict or/and request from this person the submission of further documents, data, or/and written evidence towards clarification of the case.

6.4. After the examination and investigation of all required data and facts has been completed, the Compliance Department in collaboration with the Legal Department determines to what extent:

- i. there is, actually, a case of an actual conflict of interest, so that it further specifies all measures deemed necessary to be taken and the procedures that must be followed for the management, elimination and resolution of the identified conflict; or

- ii. there is no actual conflict of interest, so that the examined case is recorded in the archive and being kept in accordance with section 8 of the Policy, without taking any further measures.

6.5. In any case, the Compliance Department in collaboration with the Legal Department shall inform the involved Covered Person about the result of the performed evaluation and about the relevant decision taken.

7. TAKING OF MEASURES FOR THE MANAGEMENT OF CONFLICT OF INTEREST

7.1. In cases that the existence of a conflict of interest is established, the involved Covered Person is obliged on one hand to act immediately towards the elimination of the conflict as far as this is possible, and on the other hand to comply with all measures for the mitigation of the conflict, that were deemed necessary by the Compliance Department in collaboration with the Legal Department.

7.2 Rejection of cooperation or provision of service: In cases that a situation of a conflict of interest cannot be prevented or successfully eliminated by any of the aforementioned (or other) means, it may be deemed necessary that the Company should originally reject the provision of a specific service (e.g. towards a specific customer) or the cooperation with specific persons (e.g. candidate co-worker, supplier, service provider, director, etc.)

8. RECORD KEEPING AND UPDATING

8.1. Aiming at the enhancement of the transparency of the Company's procedures and for the purpose of effective monitoring of the methods for the management of the conflict of interest, the Compliance Department keeps a record of all the declared cases of conflict of interest, including:

- i. all Declarations and other notifications of conflict of interest submitted to the Compliance Department, and any case of a conflict of interest that has been detected by any other means;
- ii. the mitigation actions taken by the Compliance Department during the evaluation of each case of a conflict of interest according to the below mentioned under clause 8.4, including all measures and procedures that it may have been deemed necessary to be taken for the purpose of management, elimination and resolution of the established conflict of interest;

The Compliance Department is obliged to keep a record of the declared conflict of interest cases for the purposes of effective monitoring and overview. More specifically:

- All conflict of interest Declarations that have been submitted to the Compliance Department or other cases that may be detected by other means should be kept and monitored.
- All mitigating actions that have been decided for the declared cases that have been decided by the Compliance Department.
- All documents and evidence that may have been submitted to the Compliance Department and any minutes of meetings or discussions that have taken place during the process of evaluating a conflict of interest.

8.2. The abovementioned record should be updated with any new information that has been declared to the Compliance Department on a quarterly basis.

8.3. The Compliance Department is responsible for updating and monitoring the above mentioned records and on a yearly basis to submit a report with all conflict of interest cases to the CEO of the Company with the purpose of the notification as well as the mitigation actions in place of each of these cases. The Compliance Department is also obliged to inform the Internal Audit Unit of the Company as well as the Audit Committee.

8.4. The record keeping of the Conflict of Interest Declarations is subject to the constant and absolute compliance of the Company with the applicable laws on data protection.

8.5 The Human Resources Department is responsible for organizing and conducting regular training for employees to enhance their awareness and understanding of potential Conflict of Interest incidents. This training plan is vital in promoting ethical conduct and equipping the workforce with the knowledge to recognize and appropriately address such situations.

8.6 The Audit Committee is responsible for the periodic review and update of the Conflict of Interest Policy. This includes assessing the policy's alignment with changing regulations, industry dynamics, and organizational needs. Any proposed amendments to the policy are subject to approval by the BoD.





THEON

INTERNATIONAL

Advanced Optronics

[ANNEX]

