

GRENARDI GROUP

Corporate Governance Report 2025

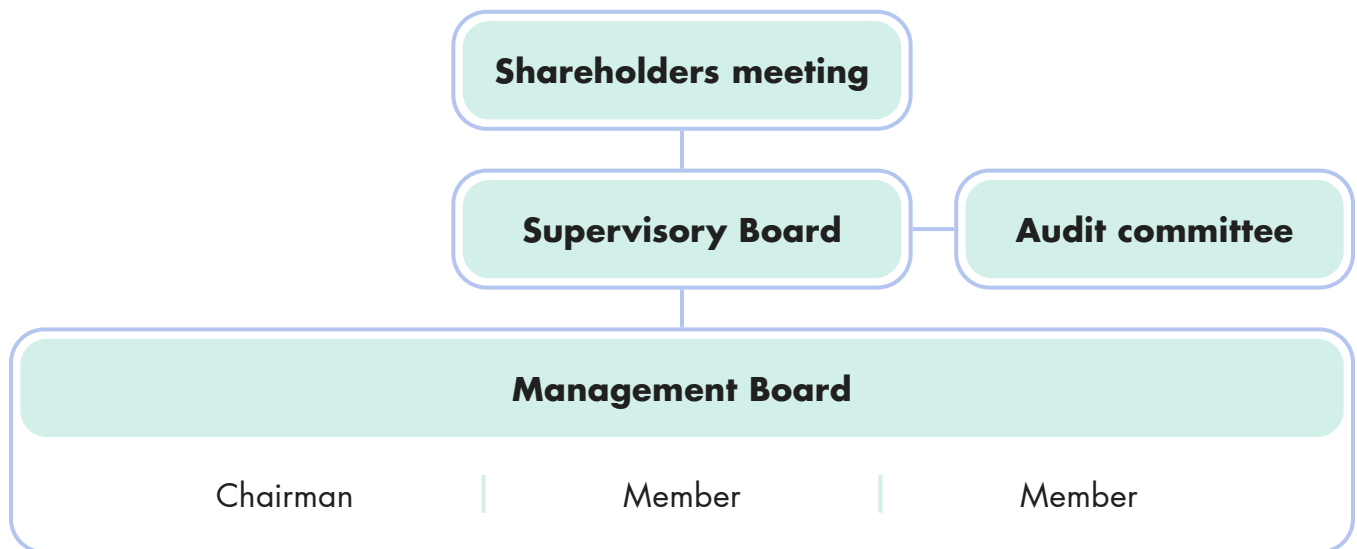


Introduction

AS Grenardi Group (hereinafter – Grenardi Group or Company) Corporate Governance Report of the year 2025 (hereinafter – Report) is prepared on the basis of the requirements of the second paragraph of section 56.² of the Financial Instruments Market Act and Corporate Governance Code issued by the Corporate Governance Advisory Board of the Ministry of Justice of the Republic of Latvia, developed in 2025 by applying comply or explain principle. The Report is prepared by the Company's Management Board. Corporate Governance Code is available on the Ministry of Justice of the Republic of Latvia website, www.tm.gov.lv.

Governance structure

Grenardi Group governance is ensured at three decision-making levels: shareholders, the Supervisory Board, and the Management Board.



Ainārs Sprīņģis

Chairman of the Management Board

signature

Marta Andersone

Member of the Management Board

signature

Supervisory board

The Company's Supervisory Board consists of three members who are elected for a term of five years. The Supervisory Board is elected by the shareholders' meeting. Collectively, the board must possess a combination of skills, experience, and knowledge necessary to effectively carry out its duties.

Name, Surname	Position	Term of authority
Alīna Sprinģe	Chairwoman of the Supervisory Board	04.06.2029
Alberts Pole	Member of the Supervisory Board	04.06.2029
Māris Keišs	Member of the Supervisory Board	04.06.2029

Alīna Sprinģe is co-creator of GIVEN concept and has authored several private brands. Alīna has played a crucial role in Grenardi's business development by contributing to procurement activities, establishing new concept stores, and shaping the brand image.

Alberts Pole has wide experience in the financial services industry as an entrepreneur and investor. Mr Pole is the co-founder of investment platform AS Mintos Marketplace and financial solutions company Elevation Group.

Māris Keišs has vast experience as a serial entrepreneur specializing in the financial services industry. He is the co-founder of investment platform AS Mintos Marketplace and financial solutions company Elevation Group.

Management board

Candidates for the Management Board are selected by the Supervisory Board based on criteria of professionalism and competence. The Management Board members are appointed by the Supervisory Board for a term of five years.

Name, Surname	Position	Term of authority
Ainārs Sprīņģis	Chairman of the Management Board	04.06.2029
Līga Emma Gulbe	Member of the Management Board	28.04.2026
Marta Andersone	Member of the Management Board	07.12.2028
Alise Vilka	Member of the Management Board	28.04.2031

Ainārs Sprīņģis is the founder of Grenardi Group. Mr Sprīņģis has 20 (twenty) years of experience in the jewellery industry and had established the largest retail chain of mobile phones and accessories in the Baltics at the time – Trodeks and DUAL, which was successfully exited in year 2006. Ainārs Sprīņģis holds bachelor's degree in entrepreneurship from RISEBA University.

Līga Emma Gulbe joined GRENARDI in 2017. Since 2022 Līga has been the CEO and Management Board member at SIA Grenardi Latvia. She has longstanding experience in the jewellery sector spanning over nine years. She has specialized in procurement operations. Līga holds a diploma in Business Administration from the Open University.

From September 2021, Marta Andersone is the Chief Finance Officer (CFO) of the Group with broad experience in financial planning and analysis, investment analysis and project management. Previously Marta led financial planning and analysis team at Twino and held financial consultant position at Deloitte. Marta holds bachelor's degree from Stockholm School of Economics in Riga as well as master's in law degree specializing in law and finance from Riga Graduate School of Law.

Alise Vilka joined Grenardi Group in January 2025 as the Group's Chief Operating Officer (COO). Prior to joining Grenardi Group, Alise had a career at Atea group companies, where her most recent position was CEO of Atea Global Services. Alise holds a Master's degree in Business Management from the BA School of Business and Finance.

Good corporate governance recommendation for companies in Latvia

COMPANY STRATEGY

Company strategy is an essential tool for setting company objectives and progress towards long term value creation.

Principle No. 1

The company has an up-to-date strategy that sets out the company's objectives and progress towards long-term value creation.

- The company has an up-to-date strategy, the draft of which is developed by the Management Board.
- The Supervisory Board is involved in the strategy development process and approves the strategy at the Supervisory Board meeting.
- The Supervisory Board monitors the implementation of the strategy.
- The company Management Board implements the strategy and reports to the Supervisory Board on its implementation on a regular basis.

Grenardi Group has developed a strategy. A more detailed description of the strategy and objectives can be found in the bond base prospectus published on the company's website. Grenardi Group's strategy is to pursue profitable growth based on four main pillars: (a) expansion and strengthening of market positions; (b) diverse and optimized product assortment; (c) leveraging economies of scale; and (d) customer experience and loyalty.

In developing the strategy, the Management Board considers the implementation of the previous strategy, the current situation within the company, industry and market trends, the business model, opportunities and risks, stakeholder interests, and environmental, social, and governance (ESG) considerations, among others.

Upon approving the company's strategy, the Supervisory Board sets strategic goals and priorities for the Management Board. The Supervisory Board's oversight of the Management Board includes monitoring the implementation of the strategy aimed at long-term value creation and the associated risks. The Supervisory Board regularly reviews information prepared by the Management Board on the progress of strategy implementation during board meetings.

The Management Board updates the strategy as needed, in response to changes in the industry or the company's operations and submits the updated strategy for review by the Supervisory Board.

INTERNAL CULTURE AND ETHICAL BEHAVIOUR

The basic principles of the company's internal culture and ethical behaviour and the values on which they are based are a precondition for the successful long-term development of the company.

Principle No. 2

The company develops an internal culture and ethics code which serves as a standard of conduct for the company's management and employees.

- The Supervisory Board defines the company's core values.
- The Management Board prepares, and the Supervisory Board approves the code of internal culture and ethics.
- The Management Board ensures compliance with the company's internal culture and ethics code on a daily basis and reacts if there is a breach of the code.

Grenardi Group has developed a Code of Ethics, which is available on the Company's corporate website. The implementation and adherence to the Code of Ethics is overseen by the Management Board of AS Grenardi Group.

INTERNAL CONTROL SYSTEM, RISK MANAGEMENT AND INTERNAL AUDIT

The purpose of the internal control system is to ensure the efficient, sustainable and successful operation of the Company, the accuracy of the information provided and compliance with the relevant regulatory enactments and operating principles.

Principle No. 3

The company has an internal control system, the effectiveness of which is monitored by the Supervisory Board.

- The company has a documented internal control system, the establishment of which is the responsibility of the Management Board.
- The internal audit evaluates the effectiveness of the internal control system using a risk-based approach and reports the results of the assessment to the Supervisory Board.
- The Supervisory Board evaluates the provided evaluation of the effectiveness of the internal control system.

Principle No. 4

The company identifies, assesses and monitors the risks associated with its operations.

- The Management Board develops, and the Supervisory Board approves the company's risk management policy.
- Based on the identified risk assessment, the Management Board implements risk management measures.
- At least once a year, the Supervisory Board reviews the Management Board's reports on risk management measures and the implementation of the risk management policy.

Principle No. 5

An internal audit has been established in the company, it evaluates the company's operations independently and objectively.

- The company has an internal auditor who is functionally independent of the Management Board and reports to the Supervisory Board.
- The Supervisory Board approves and dismisses the internal auditor.
- The internal auditor develops and implements a risk-based internal audit strategy and plan, which is approved by the Supervisory Board.
- The internal auditor informs the Management Board and the Supervisory Board about the internal audit work, the implementation of the strategy and plan, audit results, and recommended actions to address deficiencies, if any.

INTERNAL CONTROL SYSTEM, RISK MANAGEMENT AND INTERNAL AUDIT (continued)

The purpose of internal control and risk management at Grenardi Group is to ensure effective and successful operations, the accuracy and compliance of disclosed information with relevant regulatory requirements and operational principles. The internal control system supports the Management Board in identifying and mitigating potential risks and deficiencies in the governance of Grenardi Group and also facilitates the Supervisory Board's role in overseeing the Management Board's activities and ensuring their effective execution.

To ensure successful operations, Grenardi Group continuously monitors its activities – this process is defined within the internal control procedures. The objective of risk management is to identify and monitor risks related to Grenardi Group's business operations. In order to ensure effective risk management, control procedures are integrated into the processes of strategy development and implementation, as well as into day-to-day operations.

The implementation of the internal control system is the responsibility of the Management Board, while the Supervisory Board oversees it. In accordance with Grenardi Group's corporate governance policy, one of the Supervisory Board's responsibilities is to monitor the internal control and risk management systems and to regularly review their adequacy and effectiveness.

Considering the scope, scale, and simplicity of the organisational structure of the Company, the establishment of a separate internal audit unit or internal auditor position is currently not proportionate to the Company's actual needs and would result in unjustified additional costs.

The Company has implemented internal control systems that ensure the monitoring of operational processes and risk management. The Management Board regularly informs the Supervisory Board and shareholders about the Company's financial and operational performance, thereby ensuring governance transparency and effective oversight. In addition, a sworn auditor performs an audit of the Company's annual report in accordance with the requirements of applicable legislation.

The Company regularly assesses the need for an internal audit function and, as the scope or complexity of its operations increases, will consider its implementation.

EXTERNAL AUDITOR

The external auditor provides the Management Board and the Supervisory Board, all shareholders and investors, creditors and other stakeholders with an independent report on the company's financial standing, reliability of financial statements and compliance with the requirements of regulatory enactments.

Principle No. 6

The company has an independent external auditor

- The Supervisory Board and the Audit Committee, (if established), determine the selection criteria for the external auditor.
- The company has an independent external auditor with appropriate qualifications.
- The term of office of one external auditor does not exceed five years, thus ensuring the rotation of external auditor representatives.

The Supervisory Board and the Audit Committee define the selection criteria for the external auditor, based on which the Management Board carries out the selection process. The outcome of the selection process is separately approved by the Supervisory Board and the Audit Committee, and only thereafter is the contract with the external auditor signed. Grenardi Group's independent external auditor holds the appropriate qualifications.

The contract with the external auditor, prepared by the Management Board, includes a description of the auditor's responsibilities, the audit plan, timeline, payment terms, and obligations to report any conflicts of interest, threats to independence, or any other circumstances that may prevent the auditor from performing their duties or could affect the audit results. Throughout the audit process, the company ensures effective cooperation with the external auditor, provides access to information, and collaborates in addressing any identified deficiencies or shortcomings.

Grenardi Group's external auditor is Grant Thornton Baltic Audit, SIA. A contract has been signed with the auditor for the audit of the annual reports for the years 2021, 2022, 2023, 2024 and 2025.

ELECTION OF SUPERVISORY BOARD MEMBERS

A competent and experienced Supervisory Board is a prerequisite for the efficient operation of the company and decision-making, which contributes to the long-term growth of the company's value.

Principle No. 7

The company ensures transparent procedures for the election and removal of Supervisory Board members.

- The company has approved the procedure for selection and removal of Supervisory Board members.
- The company provides timely and sufficient information to the company's shareholders on the Supervisory Board members who are nominated for election or re-election.
- The size of the Supervisory Board corresponds to the specifics of the company's operations.
- A Supervisory Board member is elected for a term not exceeding 5 years.

Principle No. 8

Supervisory board members combined have relevant experience and competence.

- The Supervisory Board as a whole has a set of skills, experience and knowledge, including on the sector concerned, to be able to perform their duties fully.
- The principles of diversity are observed when forming the Supervisory Board.
- Both sexes are represented in the Supervisory Board.
- The Management Board develops an induction training programme and provides new Supervisory Board members with induction training.

Principle No. 9

The company's Supervisory Board has independent Supervisory Board members.

- The company evaluates and the shareholders determine the proportion of independent supervisory board members.
- At least half of the members of the board are independent.
- Independent candidates for Supervisory Board membership submit a confirmation of their compliance with the independence criteria, and during their term of office a Supervisory Board member is obligated to inform of any changes to their independence status.
- Prior to the election of the Supervisory Board, the company evaluates the independence of Supervisory Board members in accordance with the available information.

ELECTION OF SUPERVISORY BOARD MEMBERS (continued)

According to the Articles of Association of Grenardi Group, the Company's Supervisory Board consists of three members, who are elected for a term of five years. The Supervisory Board is appointed by the shareholders' meeting. The Grenardi Group Supervisory Board comprises a Chairperson and two Board Members. The Board's competence aligns with the specific nature of the company's operations. When forming the Supervisory Board of Grenardi Group, the qualifications of its members are taken into account and are periodically evaluated. The composition of the Board includes individuals who collectively possess the diversity of knowledge, perspectives, and experience necessary for the Board to successfully carry out its duties.

Prior to the confirmation of Board members at the shareholders' meeting, Grenardi Group provides shareholders with comprehensive and timely information on the suitability of each Board candidate for the position. Each Board member begins their role with an introductory training, during which they are thoroughly introduced to the company, its operating principles, characteristics, culture, the duties of a Board member, and the company's general financial, social, and legal standing, as well as the financial reporting process. Every member of the Board must act with the utmost independence from any external influences and must be willing to take responsibility for the decisions made. They are expected to adhere to generally accepted ethical principles when making any decisions related to the Company's operations.

Grenardi Group adheres to the following independence criteria for members of the Supervisory Board and considers a Board member to be independent if they meet the following conditions:

1. They have not served as a member of the Management Board, commercial proxy, authorized signatory, or employee of the Company, its affiliated companies, or its controlling shareholder during the past three years, and do not hold such a position while serving on the Supervisory Board. An affiliated company is defined as a legal entity that exercises direct or indirect dominant influence over the company (a parent company), any other entity under such influence, or a subsidiary of the company where the Board member intends to serve.
2. They are not a member of the management or Supervisory Board, employee, representative, or advisor to a competing company.
3. They do not receive, and have not received, significant additional remuneration from the Company, its affiliated entities, or its controlling shareholder beyond their compensation as a Supervisory Board member.
4. They do not represent the controlling shareholders of the Company, either directly or indirectly.
5. During the last three years prior to their appointment to the Board, they have not had any significant business relationships with the Company, its affiliated companies, or its controlling shareholder.
6. They have not served in the past three years as an internal controller, auditor, or employee of a company providing external audit services to the Company, its affiliates, or its controlling shareholder.
7. They have not served as a Supervisory Board member of the Company for more than ten consecutive years.
8. They do not own more than 5% of the Company's shares.
9. They are not a family member of a Management Board member or a shareholder with the specified level of ownership, nor of any person falling under the above criteria. Family members, for this purpose, include parents, grandparents, children, grandchildren, adoptive parents or adopted children, siblings (including half-siblings), and spouses.

ELECTION OF SUPERVISORY BOARD MEMBERS (continued)

The Company acknowledges the importance of independent Supervisory Board members in ensuring good corporate governance. Currently, no independent members have been elected to the Company's Supervisory Board.

AS Grenardi Group is a private joint-stock company operating in the jewellery retail sector. Given the specific nature, scope and scale of the Company's operations, the number of Supervisory Board members is relatively small, which corresponds to the Company's actual needs and ensures effective governance.

The shareholders' agreement does not provide for the election of an independent member to the Supervisory Board, and the current board structure reflects the shareholders' mutual agreement on the Company's governance model.

The Company considers that the existing Supervisory Board members possess the necessary competence and professional experience to effectively fulfill the board's functions. In their decision-making, the board members comply with the requirements of applicable laws and regulations regarding the prevention of conflicts of interest, and the Company has established a conflict of interest management procedure that ensures an objective and transparent decision-making process.

The Company regularly assesses the composition of the Supervisory Board against good corporate governance practices and, if necessary, will consider appointing an independent Supervisory Board member.

PRINCIPLES OF DETERMINING THE REMUNERATION FOR THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

Clearly defined remuneration principles for Management Board and Supervisory Board members facilitate transparency of the use of funds and effective risk management.

Principle No. 10

The company has introduced a Management Board and Supervisory Board remuneration policy.

- The company has introduced a remuneration policy, which has been developed by the Management Board, reviewed by the Supervisory Board and approved by the shareholders' meeting.
- Once a year, the Supervisory Board determines the financial and sustainability goals to be achieved by the Management Board, including each individual member thereof, as well as their impact on the variable component of remuneration, and supervises their fulfillment.
- No variable part of remuneration is determined for Supervisory Board members, and no compensation is paid in case of removal or resignation from office.
- Once a year, the Management Board prepares a report on the remuneration granted to each current and former Management Board and Supervisory Board member.

Grenardi Group has implemented a remuneration policy, which is defined in the shareholders' agreement. The remuneration policy outlines all components of remuneration, the limits of variable compensation, the maximum total remuneration, the amount of severance pay—including the cases in which such compensation is not granted—as well as the principles for calculation. The Supervisory Board sets the financial and sustainability targets to be achieved by the Management Board, determines their impact on the variable component of remuneration, and monitors their fulfillment. Supervisory Board members do not receive variable remuneration and are not granted any compensation in the event of dismissal or resignation from their position.

ORGANISATION OF THE SUPERVISORY BOARD'S WORK AND DECISION-MAKING

A clear and understandable organisation of the work of the Supervisory Board and the availability of timely, high-quality and relevant information facilitates the effective performance of the Supervisory Board's tasks and full involvement of Supervisory Board members in decision-making. The Supervisory Board acts in the interest of all shareholders and the Company, while also taking into consideration the interests of stakeholders.

Principle No. 11

The company's Supervisory Board work organisation is clear and understandable.

- The Supervisory Board organises its work in accordance with regulations of the Supervisory Board and the work calendar.
- The Supervisory Board holds at least one separate Supervisory Board meeting per year to discuss the company's strategy and its implementation.
- The company's budget provides the financing necessary to ensure the operation of the Supervisory Board.
- Once a year the Supervisory Board conducts a self-assessment of the work of the Supervisory Board and reviews its results at the Supervisory Board meeting.
- Each year, the Supervisory Board assesses whether its composition has the appropriate experience and competence, including whether it has sufficient capacity and meets diversity principles.
- The Supervisory Board has evaluated the need to set up committees (if a committee has been set up, see principle No. 12.1.).

The Supervisory Board organizes its work in accordance with the Rules of Procedure defined in the shareholders' agreement and a work calendar. This document sets out all necessary procedures with specific deadlines—for convening and holding meetings, information flow, decision-making, etc.—and regulates cooperation with the Management Board and shareholders (including the shareholders' meeting), defines emergency situations, and outlines potential courses of action in such cases.

The Supervisory Board plans its work calendar for at least one financial year. Board meetings are held at least once per quarter. Additionally, the Board holds at least one dedicated meeting annually to discuss AS Grenardi Group's strategy.

Grenardi Group's budget includes the necessary funding to ensure the functioning of the Supervisory Board. This includes funding for board member training, expenses related to the performance of board duties, and remuneration for independent experts as approved by the Board and in line with the company's budget. This financial provision ensures a secure, stable, and predictable foundation for the Board to carry out its functions. The Management Board provides the technical support necessary for the Board's operations.

Once a year, the Supervisory Board conducts a self-assessment of its work, and the results are reviewed in a board meeting. Each year, the Supervisory Board assesses whether its composition has the appropriate experience and competence, including whether it has sufficient capacity and meets diversity principles.

Principle No. 12

The Supervisory Board takes informed and well-balanced decisions.

- The Supervisory Board has access to information prepared by the Management Board necessary for decision-making in a timely manner and in sufficient amount.
- The Supervisory Board determines the procedure for the circulation of information, including the right of the Supervisory Board to request from the Management Board information, which the Supervisory Board needs to make decisions.
- A Supervisory Board member analyses the information and prepares proposals for decisions to be adopted by the Supervisory Board.
- When making decisions, the Supervisory Board assesses the risks, short-term and long-term impact on the company's value, sustainability and responsible development.

The Supervisory Board of Grenardi Group has the right to request information from the Management Board that is necessary for the Board to make informed decisions. Communication between the Supervisory Board and the Management Board is conducted through the Chair of the Supervisory Board and the Chair of the Management Board. Information regarding agenda items and materials prepared by the Management Board that are necessary for decision-making is provided in a timely manner. The proper quality, quantity, and timeliness of this information ensures well-considered and goal-oriented decision-making. In cases specified in the Articles of Association, the Management Board must obtain the Supervisory Board's consent before making significant decisions—particularly those that may substantially affect Grenardi Group's assets, financial position, or the achievement of its strategic goals.

The Supervisory Board establishes the procedures for information exchange among Board members, as well as between the Board, the Management Board, and other Grenardi Group employees involved in the Board's work. The Chair of the Management Board must immediately inform the Chair of the Supervisory Board about any significant or extraordinary events that may materially affect the company's condition, operations, or governance. Each member of the Management and Supervisory Boards, as well as other individuals involved in their work, including support staff, is required to maintain confidentiality.

Each member of the Supervisory Board individually analyzes the information and prepares proposals for decision-making. When making decisions, the Board evaluates risks, as well as the short- and long-term impact on the company's value, sustainability, and responsible development. Decisions of the Supervisory Board are recorded in the minutes of the Board meetings.

Principle No. 12.1

A committee prepares proposals for Supervisory Board decision making

- The Supervisory Board determines the tasks and the procedures for organisation of work of the committee
- The Supervisory Board establishes a committee of at least 3 Supervisory Board members with appropriate experience and expertise in the field of work of the committee (remuneration, nomination, audit or other field)
- The committee analyses the information and makes proposals for decisions by the Supervisory Board, as well as informs the Supervisory Board of the work of the committee

Since May 3, 2024, Grenardi Group has established an Audit Committee, which, among other responsibilities, oversees the effectiveness of the internal control and risk management systems, particularly in relation to ensuring the objectivity and accuracy of financial reporting. In accordance with the requirements of the Financial Instruments Market Law, the Audit Committee monitors the financial statement preparation process and performs other duties assigned by applicable legislation.

The Audit Committee consists of three members:

Mārtiņš Baumanis (Chair of the Audit Committee), Māris Keiņš, Emīls Latkovskis.

PREVENTION OF THE CONFLICT OF INTERESTS

Identification and management of potential conflict of interest situations reduces a company's financial and reputational risks.

Principle No. 13

Management board and Supervisory Board members are clearly aware of the manifestations of conflicts of interest and are informed of the action to be taken in the event of a conflict of interest.

- The Supervisory Board defines the indications of a conflict of interest and identifies the conflict of interest prevention and management procedures.
- Supervisory board or Management Board members do not participate in decision-making on matters in which the company's interests conflict with the interests of the Supervisory Board, Management Board members or persons related to them.
- Persons subject to the conflict of interest obligation participate in training on dealing with conflicts of interest on a regular basis.

Each member of the Management Board or Supervisory Board must avoid any conflicts of interest in their activities and remain as independent as possible from any external influences. When making decisions related to the operations of Grenardi Group, members of the Management or Supervisory Board must adhere to generally accepted ethical principles and take responsibility for the decisions they make. It is the duty of each board member to prevent any actual or even apparent conflicts of interest in their actions. When making decisions, a board member must act in the best interests of the Company and must not use any collaboration opportunities offered by Grenardi Group for personal gain.

Any board or Supervisory Board member must immediately notify the other members of the board or Supervisory Board about any arising or potential conflict of interest. A board or Supervisory Board member must inform the others about any transaction or contract that Grenardi Group plans to enter into with a person who has close relations with the board or Supervisory Board member, or with a person related to the board or Supervisory Board member, as well as notify about any conflicts of interest arising during the term of the contract. For the purposes of this report, persons with close relations to the board or Supervisory Board member are considered to be: the board or Supervisory Board member's spouse, relative, or in-law, including up to the second degree of kinship and first-degree of affinity, or persons with whom the board or Supervisory Board member has shared a household for at least one year.

Persons that are considered related to a board or Supervisory Board member include legal entities in which the board or Supervisory Board member or closely related persons hold positions as members of the board or Supervisory Board, perform auditing duties, or hold other executive positions, where they are in a position to determine or influence the strategic direction of the respective legal entity's activities.

A board or Supervisory Board member who is in a potential conflict of interest situation shall not participate in the decision-making process regarding matters that may be related to the emergence of such a conflict of interest. Individuals subject to the conflict-of-interest prevention obligation regularly participate in training on how to act in conflict-of-interest situations.

SHAREHOLDERS' MEETINGS

Effective involvement of shareholders in decision-making helps to achieve the company's financial and sustainability goals, as well as ensures the company's sustainable operation.

Principle No. 14

The company provides shareholders with timely information on conduction of shareholders' meetings providing all the information necessary for decision-making.

- The company informs shareholders in a timely manner about the agenda, course and voting procedures of the shareholders' meeting, as well as about any related changes.
- The Company ensures that shareholders have the opportunity to familiarize themselves with the planned decisions and accompanying documents in a timely manner, including by using digital tools.
- The company provides shareholders with an opportunity to submit questions on the matters included in the agenda and draft decisions before the shareholders' meeting.
- The draft decisions and the documents attached to them provide detailed, clear and complete information on the matter under consideration.

Grenardi Group ensures that shareholders are provided with the opportunity to receive all necessary information about the company in a timely and regular manner, participate in meetings, and vote on agenda items. The location and time of the meetings are coordinated at least 14 days in advance to allow shareholders sufficient time to plan and attend the shareholder meeting. Grenardi Group ensures that shareholders have access to comprehensive information related to the meeting, its location, and voting on the decisions to be made, as well as information about the agenda and draft resolutions to be voted on at the meeting. The company also informs shareholders of where they can address any questions regarding the shareholder meeting and agenda items and provides the necessary additional information to shareholders.

Grenardi Group ensures that shareholders have the opportunity to review the draft decisions on the agenda items at least 14 (fourteen) days before the meeting, including those submitted after the meeting notice has been issued. Grenardi Group provides access to the full text of the draft decisions, particularly in relation to voting on changes to the company's statutes, the election of officers, setting their remuneration, the distribution of the company's profits, and other significant matters.

Principle No. 15

The company promotes effective shareholder involvement in decision-making and a participation in shareholders' meetings.

- The Company provides shareholders with the opportunity to participate in the shareholders' meeting in person or remotely, taking into account the necessary security and technical measures.
- The company determines the appropriate duration of the shareholders' meeting and provides the shareholders with the opportunity to express their opinions during the meeting and obtain the information necessary for decision-making.
- The company invites Management Board and Supervisory Board members, candidates for Supervisory Board members, auditors and internal auditors, as well as other persons to participate in the shareholders' meeting in accordance with the matters to be considered at the meeting.
- The shareholders' meeting makes decisions in accordance with the previously announced draft decision.

Grenardi Group ensures that the location and time of the shareholders' meeting are coordinated at least 14 days in advance, allowing shareholders to plan and attend the meeting. In the event that the shareholders' meeting is held remotely, Grenardi Group provides shareholders with the opportunity to participate remotely.

To ensure that shareholders receive comprehensive information about the shareholders' meeting, the Company's board develops a set of rules for the conduct of the meeting. These rules outline the procedures for the meeting and the process for addressing any organizational matters related to the meeting. Shareholders' rights to consult with each other during the meeting, if necessary for making a decision or clarifying an issue, are not restricted.

In the Grenardi Group shareholders' meetings, the following individuals participate: members of the Supervisory Board and members of the Management Board. If necessary, candidates for Supervisory Board members also attend, as well as other individuals according to the matters to be discussed at the meeting.

The chairman of the shareholders' meeting ensures that the minutes of the meeting reflect the course and content of the discussions on all items on the agenda. In cases where any participant requests it, the minutes will include separate debates or the written proposals or questions of a shareholder. The shareholders' meeting makes decisions according to the decision proposals announced in advance.

Principle No. 16

The company develops and discusses dividend policy with shareholders.

- The company has developed and published an up-to-date dividend policy.
- The dividend policy has been discussed with the shareholders during the shareholders' meeting.

AS Grenardi Group has developed a dividend policy, taking into account the company's short-term and long-term goals, financial situation, industry operations, market conditions, as well as investment plans. The dividend policy has been discussed with shareholders during the shareholders' meeting. AS Grenardi Group is a closed joint-stock company, therefore, the dividend policy is not publicly disclosed.

TRANSPARENCY OF COMPANY OPERATIONS

Transparency of company operations is the basis for effective investor relations and successful communication with shareholders and other stakeholders.

Principle No. 17

The company informs shareholders and other stakeholders on a regular basis and in a timely manner of business operations, financial results, management and other relevant issues of the company.

- The company discloses complete, accurate, objective, up-to-date and true information in a timely manner.
- The company discloses information to all shareholders at the same time and to the same extent, and for this purpose uses previously agreed means of communication, taking into account both technological capabilities and shareholder needs.
- The company discloses information about the company's management, strategy or lines of business and publishes financial statements as well as other information.
- The company provides information both in Latvian and in at least one other official language of a European Union Member State.

Grenardi Group publishes information simultaneously on the Nasdaq Riga exchange, the Central Storage of Regulated Information, and the Grenardi Group website. The published information is timely and enables shareholders and other interested parties to evaluate how AS Grenardi Group operates, provides an overview of the company's activities and financial results, and allows them to make informed decisions regarding their securities. The company's website is available in three languages – Latvian, English, and Estonian.

The Grenardi Group website provides the following information:

- 1) General information about AS Grenardi Group and the companies within the group, including its history, registration details, industry overview, and key business activities;
- 2) Corporate Governance Report;
- 3) ESG report;
- 4) Code of Ethics;
- 5) AS Grenardi Group financial calendar;
- 6) AS Grenardi Group articles of association;
- 7) Information about the current members of the Grenardi Group Management Board and Supervisory Board (available under the "Investors" section, "Presentation");
- 8) Financial reports, statements, and annual reports of AS Grenardi Group, prepared in accordance with legal requirements and the rules of the Nasdaq Riga exchange.;
- 9) Other information: details of significant events, such as changes in share capital, quarterly retail sales reports, and information about the company's issued bonds.

GROUP COMPANY MANAGEMENT

Organized and publicly explained relationships between companies within a group help prevent governance risks and enable the full operational potential of the group. In company groups, both the parent company and its subsidiaries are subject to the same corporate governance principles that apply to individual companies.

Principle No. 18

Company groups have established a transparent governance system that ensures the implementation of corporate governance principles in subsidiary companies.

- Members of the Management Board and Supervisory Board of a subsidiary within a company group act primarily in the interests of the subsidiary.
- The company group has introduced a transparent procedure for implementing group-level strategy, financial targets and policies.
- The Company provides complete and transparent information about its activities within the company group.

The Company is the parent company of the Group, which comprises several subsidiaries.

Unified governance policies and procedures have been established at the Group level, ensuring consistent application of corporate governance principles across all subsidiaries. The Group's corporate strategy and budget are developed at the Group level, ensuring a unified approach to setting financial targets and monitoring their achievement, as well as alignment of internal policies and procedures across the Group.

Transactions between Group companies are carried out in accordance with the transfer pricing policy, ensuring that intercompany transactions are conducted on arm's length terms and are transparent.

The management and Supervisory Board members of subsidiaries, in fulfilling their duties, act primarily in the interests of the respective subsidiary, while ensuring alignment with the Group's overall strategy and objectives.

The Company ensures comprehensive and transparent information exchange within the Group — subsidiaries regularly provide financial and operational reports to the parent company, while the parent company provides shareholders and other stakeholders with access to material information about the Group's operations as a whole.