

Riga, 2025

JOINT STOCK COMPANY "STORENT HOLDING"

CORPORATE GOVERNANCE PRINCIPLES

FOR THE YEAR 2024

The corporate governance statement of AS "STORENT HOLDING" for 2024 has been prepared in accordance with the requirements of Article 56.2 (3) of the Law on Financial Instruments Market and the Corporate Governance Code.

Company strategy

Principle # 1 The company has an up-to-date strategy that sets out the company's objectives and progress towards long-term value creation

Criteria:

- 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.

Complied.

- AS Storent Holding operates in accordance with a strategy developed for a 5-year period. The strategy is updated annually, taking into account the overall economic situation, changes in competition, technologies and sustainability.
- The strategy is developed by the Board and discussed and approved by the Supervisory Board.
- The Board is responsible for implementing the strategy, providing monthly reports to the Supervisory Board on the progress of its implementation.

Internal culture and ethical behavior

Principle # 2 The company develops an internal culture and ethics code which serves as a standard of conduct for the company's management and employees

Criteria:

- 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.

Complied.

- The Supervisory Board has approved the company's core values.
- The Board has prepared and the Supervisory Board has approved the Internal Culture and Ethical Code of Conduct.

- Employees have familiarized themselves with the code and it is adhered to in the company's daily work.

Internal control system, risk management and internal audit

Principle # 3 The company has an internal control system, the effectiveness of which is monitored by the supervisory board

Criteria:

- 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 at least once a year, taking into account pre-defined criteria and reporting the results of the evaluation to the supervisory board;
- The supervisory board, at least once a year, evaluates the provided evaluation of the effectiveness of the internal control system.

Partially Complied.

- The company has an internal control system in place, the operation and effectiveness of which is the responsibility of the Board.
- The Supervisory Board assesses the effectiveness of the system once a year.
- The company currently does not have a dedicated internal audit position.

Principle # 4 The company identifies, assesses and monitors the risks associated with its operations

Criteria:

- 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.

Complied.

- The company has a risk management policy.
- The Board regularly identifies risks and implements risk management measures.
- The Supervisory Board reviews the risk management report once a year.

Principle # 5 An internal audit has been established in the company, it evaluates the company's operations independently and objectively

Criteria:

- The company has an internal auditor who is functionally independent of the management board and reports to the supervisory board;
- The supervisory board approves the internal auditor;

- The internal auditor develops a risk-based internal audit plan, which is approved by the supervisory board;
- The internal auditor informs the management board and supervisory board on the implementation of the internal audit plan, audit results and recommended actions to address deficiencies, if any.

Non-compliant.

- The company does not have a separate internal audit department, however, the company pays special attention to the internal control process. The heads of the company's departments are responsible for the implementation of the internal control system within the framework of the duties and functions delegated to them, both at the national and further Group level. The management of the company's internal control system is carried out by the Board, and supervision is carried out by the Supervisory Board.

External auditor

Principle # 6 The company has an independent external auditor

Criteria:

- 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 5 years.

Complied.

- The Supervisory Board and the Audit Committee determine the selection criteria for the external auditor, according to which the Board carries out the selection project. The result of the selection project is separately coordinated with the Supervisory Board and the Audit Committee, only after which the contract with the external auditor is signed.
- The term of office of a sworn auditor does not exceed 5 years.

Election of supervisory board members

Principle # 7 The company ensures transparent procedures for the election and removal of supervisory board members

Criteria:

- 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.

Partially Complied.

- The members of the Supervisory Board are elected in accordance with legislative requirements, providing comprehensive information to the company's shareholders.

- The Supervisory Board operates in a composition of three members, which meets the needs of the company.
- Considering that the company is owned by two shareholders, a detailed procedure for the selection and removal of the Supervisory Board has not yet been developed.

Principle # 8 Supervisory board members combined have relevant experience and competence

Criteria:

- 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.

Complied.

- The experience of the Supervisory Board is consistent with the company's strategic growth plans. When forming the Supervisory Board, the qualifications of the Supervisory Board members are taken into account and are periodically evaluated.
- The Supervisory Board is composed of individuals who, in general, possess the diversity of knowledge, opinions and experience necessary for the Supervisory Board to successfully carry out its tasks.
- Both genders are represented on the Supervisory Board.
- Newly elected members of the Supervisory Board have received the necessary introductory training.

Principle # 9 The company's supervisory board has independent supervisory board members

Criteria:

- 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 make a declaration that they meet the independence criteria;
- Prior to the election of the supervisory board, the company evaluates the independence of supervisory board members in accordance with the available information.

Partially Complied.

- 1/3 of the Supervisory Board members are independent, the Supervisory Board consists of 3 people in total.
- The Supervisory Board has one independent Supervisory Board member, whose independence has been assessed in accordance with the independence criteria of the code.

Principles of determining the remuneration for the supervisory board and the management board

Principle # 10 The company has introduced a remuneration policy

Criteria:

- 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 non-financial goals to be achieved by the management board, their impact on the variable part of remuneration and controls their fulfilment;
- 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.

Partially Complied.

- The company has implemented a remuneration policy and it has been approved by the Supervisory Board.
- The Supervisory Board annually sets the financial and non-financial targets to be achieved by the Board, their impact on the variable part of the remuneration and monitors their implementation.
- The variable part of the remuneration is not determined for the members of the Supervisory Board, nor is any compensation paid in the event of dismissal or resignation.
- A remuneration report is not currently being prepared.

Organisation of the supervisory board's work and decision-making

Principle # 11 The company's supervisory board work organisation is clear and understandable

Criteria:

- 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;
- The supervisory board has evaluated the need to set up committees.

Complied.

- The Supervisory Board organizes its work in accordance with the Supervisory Board's regulations, meetings are convened in accordance with the Supervisory Board's work calendar.
- The Supervisory Board holds at least one separate Supervisory Board meeting per year to discuss the strategy of AS "STORENT HOLDING".
- The budget provides for funding to ensure the work of the Supervisory Board.

- At the end of the first year of work, the Supervisory Board will conduct a self-assessment of its work.
- The Supervisory Board has assessed the need to establish committees and has established an audit and review committee.

Principle # 12 The supervisory board takes informed and well-balanced decisions

Criteria:

- 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.

Complied.

- The Supervisory Board has timely access to the information prepared by the Board for decision-making.
- The Supervisory Board has the right to request additional information from the Board and it is provided.
- When making decisions, the Supervisory Board assesses risks, short-term and long-term impact on the value, sustainability and responsible development of AS "STORENT HOLDING". The decisions of the Supervisory Board, as well as the justification for making the decision, are recorded in the minutes of the Supervisory Board meeting.

Prevention of the conflict of interests

Principle # 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

Criteria:

- 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.

Partially Complied.

- The company has defined that Every member of the Supervisory Board or Board must avoid any conflicts of interest in their activities and be as independent as possible in their decisions.
- Every member of the Supervisory Board or Board is obliged to be transparent and to inform about the occurrence of conflicts of interest in their activities.

- Transactions with related parties are concluded transparently, taking into account the interests and commercial profitability of AS 'STORENT HOLDING'.

Shareholders' meeting

Principle # 14 The company provides shareholders with timely information on conduction of shareholders' meetings providing all the information necessary for decision-making

Criteria:

- 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;
- Simultaneously with the announcement of the meeting, the company provides an opportunity for the shareholders to get acquainted with the draft decisions, which are initially planned to be voted on at the meeting. The company informs the shareholders immediately of any additional draft decisions submitted;
- 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.

Complied.

- According to the Articles of Association of AS "STORENT HOLDING", all shares issued by the company are shares of one category with voting rights, which gives any shareholder the right to participate in the general meeting of shareholders, as well as to receive dividends. AS "STORENT HOLDING" is a closed joint-stock company owned by 2 shareholders.
- Shareholders are informed in a timely manner about the agenda of the meeting and voting, shareholders can familiarize themselves with detailed draft decisions and receive answers to all questions.

Principle # 15 The company promotes effective shareholder involvement in decision-making and a participation in shareholders' meetings

Criteria:

- The shareholders' meeting is convened and held at a place and time easily accessible to the shareholders;
- The company provides shareholders with the opportunity to participate in the shareholders' meeting remotely;
- 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 announces a new shareholders' meeting if the matters included on the agenda of the meeting cannot be considered at the expected time;
- 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.

Complied.

- The shareholders' meeting is convened at a time convenient for shareholders with the possibility of participating remotely; members of the Board and Supervisory Board, candidates for Supervisory Board members and the auditor are invited in accordance with the meeting's agenda.

Principle # 16 The company develops and discusses dividend policy with shareholders

Criteria:

- 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.

Partially Complied.

- AS "STORENT HOLDING" pays dividends in accordance with AS "STORENT HOLDING"'s short-term and long-term goals, financial situation, market situation, as well as investment plans.
- Dividend policy is discussed with shareholders during the shareholders' meeting, however, the company has not developed a formal dividend policy.

Transparency of company operations

Principle # 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

Criteria:

- 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;
- The company discloses information about the company's management, strategy or lines of business on the website and publishes financial statements as well as other information;
- The company provides information both in Latvian and in at least one other language that is understandable to most of the company's foreign shareholders and other stakeholders.

Complied.

- The information published by the company is timely and such that it allows shareholders, bondholders and other interested parties to have an understanding of the company's management, operations and financial results. The information to be disclosed is verified, accurate, unambiguous. The company's financial statements are prepared in accordance with IFRS.
- The CFO of AS "STORENT HOLDING" is a person who is entitled to contact investors, the press and other mass media on behalf of the company, thus ensuring uniform dissemination of information.
- Information is disclosed in Latvian and English.