

APPROVED

By the decision of the Board of
AB Novaturas
May 5, 2025

**AB NOVATURAS
AUDIT AND RISK COMMITTEE (ARC) ACTIVITY REPORT, 2024**

May 5, 2025

- 1. Reporting period:** June 7, 2024 – December 31, 2024
- 2. ARC Formation and Member Election:** Following the Articles of Association of AB Novaturas (hereinafter – the Company) and the Board's Rules of Procedure, the Board is responsible for forming the Company's specialized committees and approving their regulations. As per the Requirements for Audit Committees, the ARC must consist of at least three members. Two Board members consented to be elected as ARC members. To avoid conflicts of interest when related matters were discussed at Board meetings, they requested to abstain from voting on the issue. Consequently, the matter was referred to the General Meeting of Shareholders on June 7, 2024.
- 3. ARC Term:** ARC members are elected for a term of 2 years.
- 4. ARC Composition and Engagement:**

The following members were elected during the General Meeting of Shareholders on June 7, 2024.

During the reporting period, the Company's ARC consisted of 3 members, 2 of whom must meet the independence criteria provided for in the Description and the Law on Joint Stock Companies:

- Tomas Korganas (Chairman, Independent Member)
- Gediminas Almantas (Member, Independent)
- Ingrida Kuzmickienė (Vice Chairwoman, Member)

During the reporting period, 6 ARC meetings were held, where 18 agenda items were discussed (excluding procedural items such as agenda approval, meeting scheduling, election of chairpersons, and secretary appointments).

In addition during the reporting period 4 meetings were held with the Company's management regarding budget control, financial reporting, and data control processes, as well as 2 meetings were held with the Company's auditors to discuss 2024 financial statement audit principles and related matters.

ARC Meeting Attendance:

- Tomas Korganas – 6 meetings (100%)
- Gediminas Almantas – 6 meetings (100%)
- Ingrida Kuzmickienė – 6 meetings (100%)

3. ARC Functions:

ARC operates under Lithuanian and EU legislation, the Company's Articles of Association, decisions of the General Meeting of Shareholders and the Board, and the ARC Regulations.

The functions, working procedures, rights and obligations of the ARC Members, the procedure for organizing ARC meetings, the procedure for preparing the meetings, the procedures for removing ARC members and other issues of ARC activities are established by the Regulations of the Company's Audit and Risk Committee, which were approved by the Board on April 30, 2024.

4. Conflict of Interest Management:

Independent ARC members (Tomas Korganas and Gediminas Almantas) submitted declarations of independence at the start of the term.

Potential conflicts of interest were checked during agenda approvals at each meeting.

Procedures for member disqualification are governed by the ARC Regulations.

5. Key Matters Discussed during reporting period:

ARC meeting date	Key Matters considered
2024-07-01	<ul style="list-style-type: none"> discussion of ARC 2024 activity plan.
2024-08-05	<ul style="list-style-type: none"> Review of IT GDPR audit results and GDPR implementation. Decision on the Company's International Sanctions Policy taken to be approved by the Board. Review of budget control and financial reporting processes. Discussion of credit agreement compliance and amendments.
2024-09-04	<ul style="list-style-type: none"> Review of budget control and financial reporting. Considered on initiation of 2024 financial statement audit. Considered personal data protection implementation requirements.
2024-10-10	<ul style="list-style-type: none"> Preparation for 2024 audit. Review of budget control and financial reporting.
2024-11-06	<ul style="list-style-type: none"> Review of internal documents related to personal and confidential data protection, provided comments on draft documents. The Company's budget control assurance process and status, financial reporting process were reviewed. The Company's audit strategy for the 2024 financial statements was reviewed.
2024-12-04	<ul style="list-style-type: none"> A decision was made on the preparation and submission of the Company's internal documents ensuring the protection of Personal Data to the Company's Board for approval: <ul style="list-style-type: none"> (i) Personal Data Protection Policy; (ii) Information Security Policy;

	<p>(iii) Information Security Risk Assessment Methodology; (iv) International Data Transfer Policy.</p> <p>Other draft internal documents of the Company related to the implementation of the above-mentioned policies were also reviewed and commented on.</p> <ul style="list-style-type: none">• The audit of the Company's 2024 financial statements was reviewed, and recommendations were considered regarding the process of preparing the financial statements of the Company and its group of companies.• The process and status of ensuring the Company's budget control, the financial reporting process were reviewed.• Preparation for the 2025 regular General Meeting of Shareholders was discussed, the need for the selection of an audit company and sustainability report audit service providers was assessed.• The Company's legal case statute was reviewed, and legal and financial risks were reviewed.
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