



2023



CORPORATE GOVERNANCE REPORT

Prepared under Section 56² of the Financial Instrument Market Law

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BOARD STATEMENT

The Corporate Governance Report of the JSC «Latvijas Gāze» (hereinafter – Latvijas Gāze) for the year 2023 (hereinafter – the Report) has been prepared pursuant to the requirements of Section 56² of the Financial Instrument Market Law and the “Corporate Governance Code” issued by the Advisory Board of the Ministry of Justice in 2020. The principles and criteria contained by the Code follow the recommendations of the European Union and the Organisation for Economic Co-operation and Development (OECD) for the corporate governance of capital companies.

The said principles of corporate governance have been applied to the operations of Latvijas Gāze, and in 2023 the company fully observed almost all of them. Under the “observe or explain” principle, the Report also includes information regarding the principles which the company observes partially in its operations and the substantiating circumstances.

The Report is published along with the audited 2023 financial statements of Latvijas Gāze as part of the annual report and is available on the Latvijas Gāze website (in Latvian, English and Russian) as well as on the JSC “Nasdaq Riga” website and in the Central Storage of Regulated Information.

Information on the corporate governance of Latvijas Gāze is also available in the audited 2023 financial statements of Latvijas Gāze, as well as on the Latvijas Gāze website under the “Investors” and “About us” sections.

The Report was approved at the Board meeting held on April 19, 2024.

The Report is signed on behalf of the Board by:

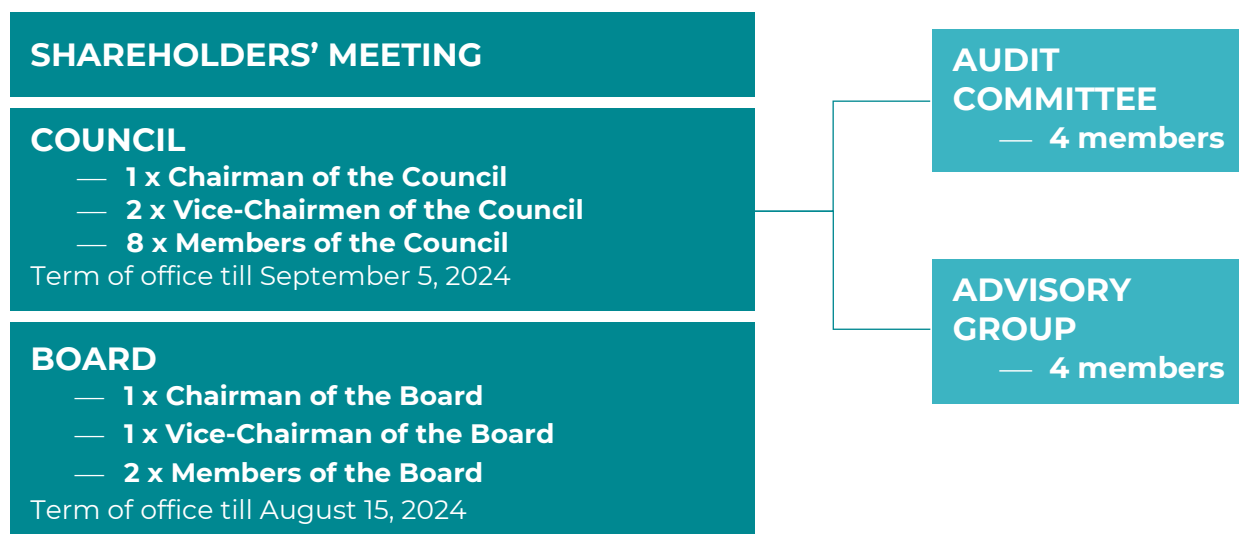
Aigars Kalvītis
Chairman of the Board

Elīta Dreimane
Member of the Board

Egīls Lapsalis
Member of the Board

MANAGEMENT STRUCTURE

Latvijas Gāze has a three-tier management structure:



- the Shareholders' meeting (elects the Council)
- the Council (elects the Board)
- the Board (manages and runs the company)

The standing committee – Advisory working group – set up by the Council was active till 01.12.2023.

The Audit Committee was active throughout 2023.

1. Advisory group

The main task – to advise the company's Council in matters of strategic management of business processes and development. **Its composition as at 01.12.2023:** Nicolas Merigo Cook, Juris Savickis, Matthias Kohlenbach, Dmitry Bulgakov.

2. Audit Committee

The main task – to supervise the preparation of the annual report to ensure its credibility and impartiality. **Its composition as at 31.12.2023:** Juris Savickis, Anita Kaņepa, Anton Belevitin.

DOCUMENTS GOVERNING MANAGEMENT

The election, operation and authority of the management bodies of Latvijas Gāze is governed by a number of documents:

- the Articles of Association
- the Regulation of the Council
- the Regulation of the Board

[All these documents are available on the Latvijas Gāze website.](#)

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's management board implements the strategy and reports to the supervisory board on its implementation on a regular basis

COMPLIANCE

- In 2020, the Board of Latvijas Gāze developed and updated the company's corporate strategy
- In November 2020, the Council of Latvijas Gāze approved the company's corporate strategy
- The Board reports to the Council on the company's work, covering the objectives and directions defined in the company's corporate strategy
- Latvijas Gāze has introduced, maintains and updates a KPI reporting system. The reporting form lists the goals to be achieved by the company – the key performance indicators to be measured by the structural unit, set corresponding to the corporate strategy directions. The responsible structural units report to the Board once in six months on the performance of KPIs in line with the OECD principles

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

INTERNAL CULTURE AND ETHICAL BEHAVIOUR

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	COMPLIANCE
<ul style="list-style-type: none">■ The supervisory board defines the company's core values	<ul style="list-style-type: none">— In 2020, upon developing the corporate strategy of Latvijas Gāze, the Board defined the company's values and the Council approved them. In 2021, the Board supplemented the initial list of values. The list and explanation of values is available on the Latvijas Gāze website: https://lg.lv/en/about-us/values-and-history
<ul style="list-style-type: none">■ The management board prepares and the supervisory board approves the code of internal culture and ethics	<ul style="list-style-type: none">— On December 22, 2020, the Board approved the Code of Conduct of Latvijas Gāze, available on the Latvijas Gāze website: https://lg.lv/en/about-us/sustainability On March 10, 2021, the Code of Conduct was approved by the Council
<ul style="list-style-type: none">■ 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	<ul style="list-style-type: none">— The Code of Conduct of Latvijas Gāze applies to all employees of Latvijas Gāze and its application, insofar as possible, is encouraged to all companies where Latvijas Gāze has a decisive holding. The companies forming the group also urge their internal and external advisors to comply with the Code. For dealing with breaches of the Code, there has been a Whistleblowing policy implemented and a reporting system developed, available on the Company's website: https://lg.lv/en/about-us/sustainability

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

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	COMPLIANCE
<ul style="list-style-type: none"> ■ The company has a documented internal control system, the establishment of which is the responsibility of the management board 	<ul style="list-style-type: none"> — The company has developed a set of internal regulatory documents (policies, regulations, orders) to ensure that the company's strategic objectives be accomplished and to make the company work as securely, organisedly and efficiently as possible. In 2021, in order to strengthen the internal control system, the company launched the assessment of business processes, introducing horizontal management principles and controls and focusing on the common goals of the organisation
<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> — The internal audit assesses the effectiveness of the internal control system and provides support towards increasing the effectiveness of the internal control system based on pre-defined criteria and reports its results to the Council. The performance of the 2023 IAD plan and the assessment of effectiveness of the internal control system were reviewed by the Council on January 24, 2024 as planned
<ul style="list-style-type: none"> ■ The supervisory board at least once a year evaluates the provided evaluation of the effectiveness of the internal control system 	<ul style="list-style-type: none"> — In order to fulfil the task of monitoring the effectiveness of the company's internal control, risk management and internal audit system, as far as ensuring the credibility and impartiality of annual accounts is concerned, the Audit Committee delivers a report to the Council for consideration. Once a year, the Council reviews the Audit Committee's assessment report, including on the effectiveness of the internal control system

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

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 assessment of risks identified, 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

COMPLIANCE

- The company continuously improves the risk management process to adapt to the changeable business environment and market development trends. Risk assessment is integrated into all management processes of the company. In 2020, the Board developed and approved the JSC "Latvijas Gāze" Risk management policy, available on the Latvijas Gāze website: <https://lg.lv/about-us/corporate-governance>. On July 17, 2023, the subsidiary JSC "Gasol" being part of the Latvijas Gāze Group was sold and the Latvijas Gāze Group ceased to exist. Hence, it was necessary to make appropriate changes and update the Latvijas Gāze Risk management policy. The Council of Latvijas Gāze reviewed the updated policy and approved it on November 30, 2023
- The company has implemented and continuously improves integrated internal control measures – the company's governance policies, structural unit regulations, divisions of employee duties and responsibilities etc. Their purpose is to contribute to the implementation of the strategy and to the accomplishment of the objectives through ethical, productive and effective operations
- Pursuant to the policy, the Company has implemented a risk identification tool – an MS Excel document that the Company uses to identify and assess risks, to describe the control measures implemented for mitigating the risks identified, organising measures of their monitoring, designating the persons in charge of monitoring, and ensuring the effectiveness and compliance of the internal control system. On November 30, 2023, the Council reviewed the report on risk management at Latvijas Gāze for 2023 (11 months) prepared by the Board of Latvijas Gāze

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

Principle # 5

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

CRITERIA	COMPLIANCE
<ul style="list-style-type: none">■ The company has an internal auditor who is functionally independent of the management board and reports to the supervisory board	<ul style="list-style-type: none">— The internal auditor, functionally independent of the Board under the Regulation of the Internal Audit Department and the Company's structure approved by the Council, reports to the Council on the performance of the 2023 working plan at the Council meeting when the annual report is approved and the annual performance is reviewed
<ul style="list-style-type: none">■ The supervisory board approves the internal auditor	<ul style="list-style-type: none">— The internal auditor is appointed with a Council resolution on the approval of the Company's structure upon starting working at Latvijas Gāze
<ul style="list-style-type: none">■ The internal auditor develops a risk-based internal audit plan which is approved by the supervisory board	<ul style="list-style-type: none">— The management is responsible for a regular assessment and improvement of controls. The internal audit checks the controls and assesses their effectiveness
<ul style="list-style-type: none">■ 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	<ul style="list-style-type: none">— The internal auditor prepares a report to the Council – on the performance of the previous year's working plan of the internal audit, the results of audit, and the recommended actions for improving the audited system, which is also presented to the Board. The performance of the 2023 IAD plan was reviewed by the Council on January 24, 2024 as planned

- The principle is fully observed
- The principle is partially observed;
- The principle is not applicable;

EXTERNAL AUDITOR

Principle # 6

The company has an independent external auditor

CRITERIA	COMPLIANCE
<ul style="list-style-type: none">■ The supervisory board and the audit committee, if established, determine the selection criteria for the external auditor	<ul style="list-style-type: none">— The Council and the Audit Committee determine the selection criteria for the external auditor. The Audit Committee ensures a process of certified auditor candidate selection at the company in compliance with Article 16 of Regulation No. 537/2014 and recommended to the Shareholders' meeting a certified auditor candidate for the provision of audit services
<ul style="list-style-type: none">■ The company has an independent external auditor with appropriate qualifications	<ul style="list-style-type: none">— In line with the criteria in place, an independent auditor, duly qualified for the audit of the 2023 annual report, is selected, and licensed commercial company of certified auditors JSC "Nexia Audit Advice" has been recommended to the shareholders for approval
<ul style="list-style-type: none">■ The term of office of one external auditor does not exceed 5 years	<ul style="list-style-type: none">— The term of office of one external auditor does not exceed 5 years

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

Principle # 8

The supervisory board members combined have relevant experience and competence

CRITERIA	COMPLIANCE
<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> — The Council of Latvijas Gāze consists of 11 Council members, each with in-depth specialisation in the natural gas trading industry overall and specifically in marketing, financial and legal matters. The curricula vitae of all Council members are publicly available on the Latvijas Gāze website: https://lg.lv/en/about-us/management
<ul style="list-style-type: none"> ■ The principles of diversity are observed when forming the supervisory board 	<ul style="list-style-type: none"> — When composing the council, candidates with appropriate experience, skills and knowledge in the Company's area of activity and specialisation in specific matters, such as legal, financial, trading, are chosen
<ul style="list-style-type: none"> ■ Both sexes are represented in the supervisory board 	<ul style="list-style-type: none"> — Both sexes are represented in the Council of Latvijas Gāze
<ul style="list-style-type: none"> ■ The management board develops an induction training programme and provides new supervisory board members with induction training 	<ul style="list-style-type: none"> — As a participant of the regulated market, Latvijas Gāze is subject of a number of requirements under the effective Latvian laws and regulations. Upon appointment, Council members are sent an informational notice with references to the relevant provisions binding to the company in its day-to-day work

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

Principle # 9

The company's supervisory board has independent supervisory board members

CRITERIA	COMPLIANCE
<ul style="list-style-type: none">■ The company evaluates and the shareholders determine the proportion of independent supervisory board members	<ul style="list-style-type: none">— Given the shareholder structure at Latvijas Gāze, at this point the shareholders have not determined the proportion of independent Council members
<ul style="list-style-type: none">■ At least half of supervisory board members are independent	<ul style="list-style-type: none">— All Council members have been nominated by the shareholders pro rata to their shareholding
<ul style="list-style-type: none">■ Independent candidates for supervisory board membership make a declaration that they meet the independence criteria	<ul style="list-style-type: none">— The Council members confirm that they have no conflict of interest upon taking office and confirm their intention to work in the interests of the Company
<ul style="list-style-type: none">■ Prior to the election of the supervisory board, the company evaluates the independence of supervisory board members based on the available information	<ul style="list-style-type: none">— Given the current shareholder structure, the shareholders have not decided upon evaluating the independence of Council member candidates

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

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

Principle # 10

The company has introduced a remuneration policy

CRITERIA	COMPLIANCE
<ul style="list-style-type: none">■ 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	<ul style="list-style-type: none">— In 2020, Latvijas Gāze developed and approved a remuneration policy for Board and Council members. It was approved by the Shareholders' meeting on March 30, 2020 and is available on the Latvijas Gāze website https://lg.lv/en/about-us/corporate-governance
<ul style="list-style-type: none">■ 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	<ul style="list-style-type: none">— The size of remuneration is determined considering the company's characteristics – turnover, assets, and number of employees
<ul style="list-style-type: none">■ No variable part of remuneration is determined for supervisory board members, and no compensation is paid in case of removal or resignation from office	<ul style="list-style-type: none">— According to the remuneration policy, there is no variable part of remuneration for Council members, and nor is there compensation paid in case of recall from office Latvijas Gāze does not use remuneration systems with shares as remuneration
<ul style="list-style-type: none">■ Once a year, the management board prepares a report on the remuneration granted to each current and former management board and supervisory board member	<ul style="list-style-type: none">— A remuneration report is prepared as appendix to the Company's annual report and submitted for review and approval to the Shareholders' meeting. Upon approval it is published along with the annual report on the NASDAQ Riga website: https://nasdaqbaltic.com, on the Central Storage of Regulated Information maintained by the Bank of Latvia https://csri.investinfo.lv/en/, as well as on the Latvijas Gāze website www.lg.lv

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

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

Principle # 11

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

CRITERIA	COMPLIANCE
<ul style="list-style-type: none"> ■ The supervisory board organises its work in accordance with the regulations and work calendar of the supervisory board 	<ul style="list-style-type: none"> — At the beginning of each calendar year, a work calendar of the Council is set up containing the scheduled Council meeting dates based on events in the company's financial calendar. The Council works in accordance with the company's Articles of Association and the principles set out in the Regulation of the Council
<ul style="list-style-type: none"> ■ The supervisory board holds at least one supervisory board meeting per year to discuss the company's strategy and its implementation 	<ul style="list-style-type: none"> — In 2023, due to the dynamic development and challenges of the natural gas market, there was no dedicated meeting held for discussing the performance of the strategy, but this issue was included along with other matters topical for the company
<ul style="list-style-type: none"> ■ The company's budget provides the financing necessary to ensure the operation of the supervisory board 	<ul style="list-style-type: none"> — The budget of Latvijas Gāze envisages financing for maintaining the operation of the Council
<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> — The overall performance of the Company is reflected by the KPIs. The results of work are recorded once per year based on the company's audited annual report. The Council delivers a self-assessment of its work in an annual report on the Company's activities
<ul style="list-style-type: none"> ■ The supervisory board has evaluated the need to set up committees (if a committee has been set up, see principle # 12.1.) 	<ul style="list-style-type: none"> — In 2023, 5 Advisory working group meetings took place at Latvijas Gāze. With the abolishment of the institute of public trader from the Latvian regulatory framework, Latvijas Gāze has become a natural gas trader only and no longer needs to preliminarily review the issues of the Council agenda at the Advisory working group which was initially designed for strategically important matters, such as reorganisation and related structural changes. Hence, the Council decided to dissolve the Advisory working group as of 01.12.2023

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

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

COMPLIANCE

- The Board prepares and sends for consideration all documents and information pertaining to the issues to be discussed at the Council meeting in accordance with the provisions of the Regulation of the Council as to the convocation and organisation of a regular/extraordinary meeting
- The Regulation of the Council clearly stipulates the procedure of information circulation and the rights to request additional information. The Regulation of the Council is available on the Latvijas Gāze website: <https://lg.lv/en/about-us/corporate-governance>
- The principle is fully observed
- The principle is fully observed

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

Principle # 12.1

A committee prepares proposals for supervisory board decision-making

CRITERIA

- The supervisory board determines the tasks and the procedure of work organisation 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

COMPLIANCE

- Latvijas Gāze has set up an Advisory working group of the Council. Its regular meetings are scheduled to take place once per quarter. In 2023, 5 Advisory working group meetings were held

- Latvijas Gāze has set up an Advisory working group of the Council consisting of 4 members. Each member is competent in a one or multiple areas of activity of the Company. The Council of Latvijas Gāze decided to dissolve the Advisory working group as of 01.12.2023

- The Advisory working group of the Council preliminarily reviews the main strategic issues that are set for inclusion in the agenda of the Council meeting

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

PREVENTION OF CONFLICTS OF INTEREST

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	COMPLIANCE
<ul style="list-style-type: none">■ The supervisory board defines the indications of a conflict of interest and identifies the conflict of interest prevention and management procedures	<ul style="list-style-type: none">— On December 22, 2020, the Board approved the Code of Conduct of Latvijas Gāze. Under the Code of Conduct, a conflict of interest occurs when the personal interests clash with those of the company. Available on the Latvijas Gāze website: https://lg.lv/en/about-us/sustainability
<ul style="list-style-type: none">■ 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	<ul style="list-style-type: none">— In the event of a conflict of interest, one has to abstain from involvement in deciding the issue concerned. The said requirement is included in the regulatory documents governing the company's management bodies. Available on the Latvijas Gāze website: https://lg.lv/en/about-us/sustainability
<ul style="list-style-type: none">■ Persons subject to the obligation of preventing conflicts of interest participate in training on dealing with conflicts of interest on a regular basis	<ul style="list-style-type: none">— The Code of Conduct of Latvijas Gāze stipulates an obligation to notify one's superior of any conflict of interest and, if necessary, seek permission. Each situation is reviewed individually, with a documented decision taken if necessary. The Code of Conduct also includes a checklist and steps to be taken when establishing a possible conflict of interest. The Code of Conduct is binding to all employees of Latvijas Gāze. It is possible to report conflicts of interest through the whistleblowing system. The internal whistleblowing policy is available on the Latvijas Gāze website: https://lg.lv/en/about-us/sustainability In 2023, there were no reports received that might suggest of a conflict of interest at the company

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

SHAREHOLDERS' MEETING

Principle # 14

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

CRITERIA	COMPLIANCE
<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> — The principle is fully observed
<ul style="list-style-type: none"> ■ 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 set to be voted on at the meeting. The company immediately informs the shareholders of any additional draft decisions submitted 	<ul style="list-style-type: none"> — The principle is fully observed
<ul style="list-style-type: none"> ■ The company provides shareholders with an opportunity to submit questions on the matters included in the agenda and draft decisions before the shareholders' meeting 	<ul style="list-style-type: none"> — The principle is fully observed
<ul style="list-style-type: none"> ■ The draft decisions and the documents attached to them provide detailed, clear and complete information on the matter under review 	<ul style="list-style-type: none"> — The principle is fully observed

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

Principle # 15

The company promotes effective shareholder involvement in decision-making and participation of as many shareholders as possible 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 in the agenda of the meeting cannot be reviewed at the expected time

COMPLIANCE

- Shareholders' meetings are convened and held corresponding to events in the financial calendar of Latvijas Gāze. However, if necessary, an extraordinary meeting is convened and held. Latvijas Gāze provides its shareholders with the facility of remote attendance and written voting ahead of the meeting

- Two Shareholders' meetings took place in 2023 (1 regular and 1 extraordinary). Both meetings were held in person and remotely using electronic means of communication. Shareholders were also able to vote in writing ahead of the meeting

- The convocation, organisation and process of shareholders' meetings follows a regulation of procedure which, if necessary, is approved by the shareholders' meeting and complies with the Latvian regulatory requirements. During the meeting, every shareholder has an opportunity express their opinion and obtain the information necessary for decision-making. Draft resolutions are made available at least 14 days ahead of the scheduled meeting date in Latvian, English and Russian, and this information is published on the NASDAQ Riga website <https://nasdaqbaltic.com>, on the Central Storage of Regulated Information maintained by the Bank of Latvia <https://csri.investinfo.lv/en/> and on the Latvijas Gāze website <https://lg.lv/en/about-us/shareholders> in order for shareholders and other interested persons to be able to get timely acquainted with it. Shareholders are also able to ask questions before the meeting. The contact details for everyone interested to submit questions and receive answers are publicly available

- There was no such precedent in 2023. The agenda of a shareholders' meeting is thoroughly planned, shareholders are timely notified of the items of the

- The company invites management board and supervisory board members, supervisory board member candidates, auditors and internal auditors as well as other persons to participate in the shareholders' meeting based on the matters to be reviewed at the meeting
- The shareholders' meeting makes decisions in accordance with the previously announced draft decisions

agenda. If it becomes necessary to resolve an issue that, under the Articles of Association of Latvijas Gāze, may only be resolved by the Shareholders' meeting and has arisen after a regular shareholders' meeting, the Company convenes an extraordinary shareholders' meeting and includes such issue in its agenda

- As required by the issues reviewed, shareholders' meetings in 2023 were attended by the auditor and the Board and Council members. None of the issues reviewed at the shareholders' meetings of 2023 necessitated the presence of the internal auditor
- At all shareholders' meetings held in 2023, resolutions were adopted in accordance with the initially announced draft resolutions. The draft resolutions and adopted resolutions of shareholders' meetings are available on the Latvijas Gāze website: <https://lg.lv/en/about-us/shareholders>

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

Principle # 16

The company develops and discusses its dividend policy with shareholders

CRITERIA	COMPLIANCE
<ul style="list-style-type: none">■ The company has developed and published an up-to-date dividend policy	<ul style="list-style-type: none">— The Dividend policy of Latvijas Gāze was approved on May 13, 2020. It lays down the principles that the company follows when drafting proposals for the Shareholders' meeting to decide on the distribution of profit. Available on the Latvijas Gāze website: https://lg.lv/en/investors/dividend-policy
<ul style="list-style-type: none">■ The dividend policy has been discussed with the shareholders during the shareholders' meeting	<ul style="list-style-type: none">— Ahead of its approval, the Dividend policy of Latvijas Gāze was discussed with the shareholders during the shareholders' meeting

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable

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	COMPLIANCE
<ul style="list-style-type: none"> ■ The company discloses complete, accurate, objective, up-to-date and true information in a timely manner 	<ul style="list-style-type: none"> — Latvijas Gāze ensures extensive and complete information on the company's governance and operation. In fulfilment of its duties as participant of the regulated market, Latvijas Gāze has information simultaneously published on the NASDAQ Baltic website https://nasdaqbaltic.com, on the Central Storage of Regulated Information maintained by the Bank of Latvia https://csri.investinfo.lv/en and on the Latvijas Gāze website www.lg.lv. Information is published in Latvian, English and Russian
<ul style="list-style-type: none"> ■ The company discloses information to all shareholders at the same time and to the same extent 	<ul style="list-style-type: none"> — Latvijas Gāze discloses information to its shareholders timely, at the same time and to the same extent, making the published information available through three channels: www.nasdaqbaltic.com, www.oricgs.lv, www.lg.lv pursuant to the financial calendar. Latvijas Gāze treats all shareholders equally, none of the shareholders has special control rights or restrictions on voting rights
<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> — On the company's website there is always up-to-date information available regarding the shareholder structure https://lg.lv/en/about-us/shareholders, the Board and Council members https://lg.lv/en/about-us/management, the work of the Audit Committee. Also permanently available are the financial statements, the corporate social responsibility report, the corporate governance report, the documents governing the management bodies and other topical information: https://lg.lv/en/about-us/corporate-governance
<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> — Information is published in Latvian, English and Russian. In order to enable investor feedback, there has been an e-

mail address set up for communication with investors and other interested persons: investor.relations@lg.lv

- The principle is fully observed
- The principle is partially observed
- The principle is not applicable