
AB AKOLA GROUP
GROUP CORPORATE GOVERNANCE POLICY

- Purpose:** To ensure a unified and best practice governance of the Group's companies (corporate governance) within the AB Akola group of companies by establishing:
- Corporate governance principles applied in the Group;
 - Group management structure;
 - Group corporate governance document system;
 - Control and risk management mechanisms.
- Scope:** It shall apply to AB Akola Group and all companies that are, directly or indirectly, *de jure* controlled (managed), taking into account the applicable regulations and practices of the relevant jurisdiction of incorporation, so as not to hinder effective management.

1. GENERAL PROVISIONS

- 1.1. **AB Akola Group**, legal entity's code 148030011, registered office at Subačiaus St. 5, Vilnius, the Republic of Lithuania, Group Corporate Governance Policy ("**Policy**") is the main document setting out the general principles of governance in the company and in the companies controlled by it ("**Group**" and each of the companies individually – "**Company**").
- 1.2. The Policy has been prepared in accordance with the Corporate Governance Code for Companies Listed on Nasdaq Vilnius, the Principles of Corporate Governance of the Organization for Economic Cooperation and Development (OECD) and other good corporate governance practices.

2. DEFINITIONS

- 2.1. Definitions used in this Policy shall be understood as set out below:

Company or Subsidiary	any of the Group's companies;
Group	AB Akola Group, legal entity's code 148030011, address Subačiaus St. 5, Vilnius, and the companies it controls jointly;
Corporate governance	understood as a system based on governance in line with good practice, which is designed to ensure effective and efficient management and control of the Group in order to implement the general objectives established for the Group;
Parent Company or AB Akola Group	AB Akola Group, legal entity's code 148030011, address Subačiaus St. 5, Vilnius, Republic of Lithuania.

3. COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The Group's corporate governance is based on the following principles:

3.1. Protection of shareholder rights and equality

The purpose of the Group's corporate governance is to ensure the protection of shareholders' rights and to create equal opportunities to use them for all shareholders, including minor and foreign shareholders. All shareholders have equal access to information and documents, in accordance with applicable legislation. The Group encourages the active involvement of shareholders in decision-making, especially by participating in general meetings of shareholders, whose organization procedures ensure equal rights to all participants.

3.2. Cooperation with stakeholders

The Group recognizes the rights of stakeholders – employees, partners, the community and others – arising from legal acts or mutual agreements and seeks constructive cooperation. Responsibility to the environment, employees and society is an integral part of the Group's activities. All stakeholders, including employees, have the opportunity to express concerns about potential violations using established reporting channels – ensuring their protection from any negative consequences.

3.3. Responsibility of collegial governing bodies

The Group's collegial bodies – the Board, the Supervisory Board – operate in accordance with high standards of transparency, competence and responsibility. Their activities are focused on ensuring the interests of the Group and its shareholders, and accountability to shareholders is one of the main principles.

3.4. Transparent and timely information disclosure

The Group ensures accurate, comprehensive and timely information on significant aspects of its operations, financial condition, shareholder structure and governance. All relevant information is publicly disclosed on the AB Akola Group website and/or on the Nasdaq Vilnius Stock Exchange platform.

3.5. Effectiveness of internal control and risk management

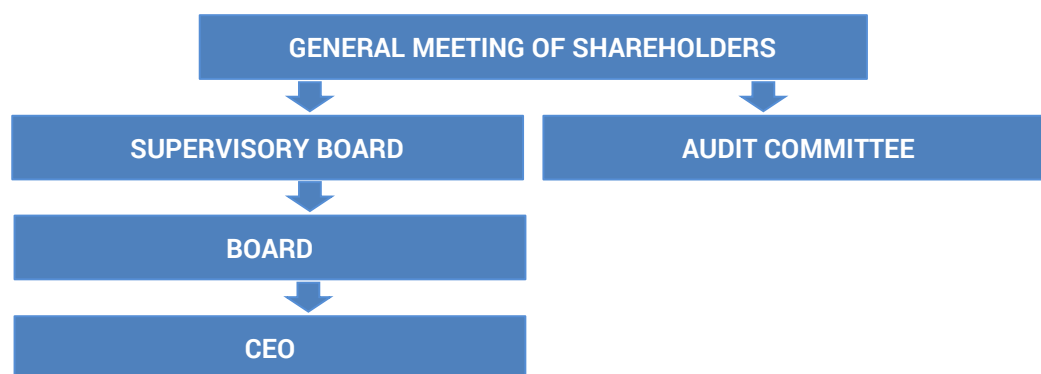
The Group maintains a strong internal control and risk management system, adapted to the scale of its operations. The internal audit function plays an important role in ensuring the quality of management and transparency at all levels of the operation, and risk management in the Group is integrated into strategic and operational processes.

4. CORPORATE GOVERNANCE SYSTEM AND STRUCTURE

- 4.1. The structure of the Group's governing bodies and the principles of corporate governance described in this Policy constitute the Group's corporate governance system.

Parent company management structure

- 4.2. In accordance with the requirements of mandatory legal acts in force in Lithuania, the Parent Company applies a two-tier management model, which consists of collegial supervisory bodies and governing bodies. The management structure of AB Akola Group, the principles of formation and operation of these bodies and their functions are determined by the decision of the general meeting of shareholders when approving the articles of association and other internal legal acts.



- 4.3. The general meeting of shareholders is the highest body of the Parent company.
- 4.4. The Supervisory Board is a collegial supervisory body responsible for supervising the activities of the governing bodies and the proper implementation of other functions established in laws, statutes, and decisions of the bodies.
- 4.5. The Board is a collegial management body responsible for strategic management and the proper implementation of other functions assigned to the Board in legal acts, statutes, and decisions of bodies.
- 4.6. The CEO is the sole governing body responsible for organizing the activities of AB Akola Group and implementing its goals, as well as ensuring the proper execution of other functions established by legal acts, the articles of association, and decisions of the governing bodies.
- 4.7. The Audit Committee performs an advisory function to the Supervisory Board and CEO, provides recommendations in its areas of competence, and also supervises financial reporting, internal control, risk management and audit processes, ensuring the transparency and reliability of the Group's activities.
- 4.8. Only persons with the necessary knowledge, skills, experience, education and qualifications, and an impeccable reputation can be elected and appointed as members of the Parent company's bodies.

Interaction between the Parent company and its subsidiaries

- 4.9. The Group's corporate governance system is organized in such a way that the Parent Company makes decisions related to the coordination of the Group's activities, participates in the management of Subsidiaries, when necessary, and carries out their supervision, monitoring, and management control, as established in the Articles of Association of AB Akola Group or other internal documents.
- 4.10. At the Parent Company level, the management system is structured so that the Parent Company makes decisions on the following matters at the Group level:
 - 4.10.1. approves the Group's strategy and ensures supervision of its implementation;
 - 4.10.2. approves policies applied at the Group level, establishing the underlying principles;
 - 4.10.3. approves the Group's budget;
 - 4.10.4. carries out supervision of the Group through the assessment of the Group's consolidated statements and other regular reports;
 - 4.10.5. approves the Group's objectives and participates in the formation of the Companies' operational objectives (including long-term and short-term financial and non-financial objectives), taking into account the approved Group's strategy;
 - 4.10.6. after conducting an economic and legal assessment, makes decisions on the establishment, acquisition, transfer, liquidation of the Companies;
 - 4.10.7. participates in the formation of the sole and collegial bodies of the Companies. The bodies of the Companies are formed taking into account the activities, legal status, size and other aspects of each specific Company.

- 4.11. In order to ensure the efficiency of the Group's operations and appropriate risk management, the Parent Company may establish additional management and control measures through its internal legal acts, which are applied in subsidiaries through approved processes, the distribution of functional responsibilities, and accountability mechanisms.

5. CORPORATE GOVERNANCE DOCUMENTS AND THEIR IMPLEMENTATION

- 5.1. In order to regulate the Group's corporate governance issues, AB Akola Group adopts relevant corporate governance documents (hereinafter referred to as the "**Corporate Governance Documents**") that comply with applicable legal acts and the Group-level governance principles set out in this Policy.
- 5.2. For the implementation of Corporate Governance Documents in the Companies, decisions must be made by the competent governing bodies of the Companies.
- 5.3. Levels of application of Corporate Governance Documents in the Company:
- 5.3.1. **apply in full** – upon accession to the relevant Corporate Governance Document, the document is applied by the Company in full;
- 5.3.2. **apply with exceptions** – when the regulation of the Corporate Governance Document contradicts the legal acts of the country in which the Company is established or when the document cannot be applied due to the specifics of the Company's activities or business segment;
- 5.3.3. **apply with additional regulation** – when, due to the specifics of the Company's activities, it is necessary to additionally detail or specify the provisions of the document;
- 5.3.4. **do not apply (temporarily or permanently)** – in exceptional cases, taking into account the specifics of the Company's activities.
- 5.4. The following types of Corporate Governance documents may be approved within the Group and must be consistent with the Group's corporate governance principles, as well as with higher-level Corporate Governance Documents of the Group:

Document type	Document characteristics
Guidelines	<ul style="list-style-type: none"> - documents of a recommendatory nature; - define the main goals, objectives, and principles of the regulated area; - serve as a basis for preparing other Corporate Governance (implementation) Documents; - are approved by the Board; - all Corporate Governance Documents approved by the Group must be applied and interpreted in accordance with the provisions of the Guidelines.
Policies	<ul style="list-style-type: none"> - establishes principles, and in some cases, specific rules; - are prepared taking into account the content of the Guidelines; - the Policies applicable to the Group are approved by the Board; - general Policies applicable to the Group may include provisions that apply only to AB Akola Group;

	<ul style="list-style-type: none"> - the governing bodies of the Companies, acting within the limits of their competence, may approve Policies applicable to a specific Company, provided this does not contradict the regulations applied by the Group.
Rules	<ul style="list-style-type: none"> - a set of specific rules (actions to be performed); - approved to practically implement the goals and requirements set out in the Guidelines and/or Policies; - usually approved separately in each Company by adapting the relevant procedures to the specific needs and activities of the Company; - approved by the managers of the relevant Company, acting within the limits of their competence.

6. RISK MANAGEMENT AND CONTROL SYSTEM

- 6.1. The Group's risk management and internal control system helps ensure legality, operational efficiency, reliable information provision, fulfilment of obligations, and the sustainable achievement of goals by effectively managing relevant risks.
- 6.2. The Group's risk management policy provides a structured and consistent methodology for identifying, assessing and managing risks.
- 6.3. Risk management and internal control in the Group are organized according to a three-line model¹, in which all employees participate according to their areas of responsibility. Each employee, taking into account their functions, is responsible for the functioning of internal control and risk prevention:
- 6.3.1. First line – Business units: manage daily risks and apply control measures.
 - 6.3.2. Second line – Risk management function: establishes methodology, coordinates risk assessment, advises, and supervises the first line.
 - 6.3.3. Third line – Internal audit: independently assesses the effectiveness of risk management and internal control systems.
- 6.4. The management of strategically important risks is coordinated by the second-line risk management function. The Companies are responsible for managing risks specific to their own operations (local risks). To ensure effective risk management, appropriate information sharing between departments is essential.

7. FINAL PROVISIONS

- 7.1. The Policy comes into force on the date of its approval.
- 7.2. It is recommended that the managers of the Companies implement this Policy when deciding to adopt it. By adopting the Policy, the governing bodies of the Companies commit to ensuring that the governance of their respective Companies – including their internal documents – complies with the principles and rules established in the Group's Corporate Governance Documents.

¹ An internationally recognized model of organizational risk management and internal control systems, overseen and recommended by the International Institute of Internal Auditors (The IIA).

- 7.3. The provisions of the Policy are reviewed whenever there are substantial changes to the Group's organizational structure, operational functions, or responsibilities, other significant developments occur, or an update to the Policy is required.
- 7.4. Each Employee is informed of the Policy in accordance with the procedures established by the relevant Company.
- 7.5. Immediately after the Policy is approved, it is posted on the website www.akolagroup.lt and remains accessible to Employees at all times.