Riga, April 6, 2023

**REPORT OF**

**THE SUPERVISORY COUNCIL**

**JOINT STOCK COMPANY “VEF”**

**TO ANNUAL SHAREHOLDERS 'MEETING**

**TO BE HELD ON APRIL 26, 2023**

During the reporting year the Supervisory Council carried out supervision of the company’s Management Board according to the Commercial law and the Articles of Association of the company, several meetings of the Supervisory Council were held where reports on the company’s situation prepared by the Management Board were reviewed.

The Supervisory Council is in a opinion that the annual report of joint stock company “VEF” for 2022 has been prepared in accordance with the Law on Annual Reports and Consolidated Annual Reports and requirements of other regulatory enactments. The Supervisory Council recommends shareholders to approve the annual report and vote 'for' the proposal of the Management Board for the use of the profit. Also, the Supervisory Council recommends to vote “for” the sworn auditor selected by the Management Board for provision of audit services for the joint stock company “VEF” for the next reporting year. The Supervisory Council has also reviewed and accepted the Corporate Governance Report of the joint stock company “VEF” for 2022.

The Supervisory Council evaluates the company's operations in the reporting year positively. The Management Board has performed its duties in accordance with the requirements of regulatory enactments, ensuring the protection of shareholders' interests. As a result of the activities of the Management Board, the financial position of the Company has remained stable.

Pursuant to the decision of the shareholders' meeting of the joint stock company "VEF", during the reporting period the Council has performed the tasks of the Audit Committee specified in the Financial Instruments Market Law, including:

1. supervised the work of the Management Board in the preparation of the financial report of the joint stock company “VEF”;
2. supervised the efficiency of the operation of the internal control and risk management system established and implemented by the Management Board of the joint stock company “VEF”;
3. supervised the process of the audit of the annual report of the joint stock company “VEF” specified by the law and elimination of the deficiencies established as a result of the audit;
4. supports and recommends the sworn auditors selected by the Management Board for the provision of audit services in the joint stock company “VEF” for the next reporting year;
5. has verified and supervised the independence of the sworn auditor of the joint stock company “VEF” within the meaning defined in the “Law on Audit Services”;
6. performed other tasks of the Audit Committee set out in Regulation No. 537/2014.

Chairman of the Supervisory Council Guntis Lipiņš