

## Audit Committee report for 2021

The Audit Committee of Rokiškio sūris AB was elected at the Ordinary General Meeting of Shareholders of Rokiškio sūris AB held on 30 April 2021. The Audit Committee is composed of 3 members, two of whom are independent. The term of office of the Audit Committee is four years.

The Audit Committee is guided in its activities by the Law on Audit of Financial Statements, the Resolution of the Board of the Bank of Lithuania No. 03-14 of 24 January 2017 "On the Approval of the Schedule of Requirements for the Audit Committees", the Resolution of the Securities Commission of the Republic of Lithuania "On the Requirements for the Audit Committees", the Articles of Association of AB Rokiškio sūris, and the approved Regulations on the Establishment and Activities of the Audit Committee.

In 2021, the Audit Committee held 5 meetings to discuss the principles and conclusions for the preparation of the 2020 consolidated financial statements, the process for the preparation of the 2021 half-year consolidated financial statements, the main risks, the measures to minimise risks, the application of the accounting principles and the conclusions drawn.

At its meeting on 30 April 2021, the Audit Committee carried out an assessment of the independence of the independent members of the Audit Committee, after which it was found that the independent members fulfilled all the requirements, and elected a Chairperson of the Audit Committee.

An independent member of the Audit Committee must meet the following independence requirements:

1. the person must not be a director of the Company or of an affiliated company and must not have held such a position in the last five (5) years;
2. the person must not be an employee of the Company and the related company and must not have held such a position in the last 3 (three) years;
3. the person shall not receive and shall not have received any remuneration from the Company and the related company that is significant in relation to the income received as a member of the Audit Committee, other than remuneration for the audit committee;
4. the person must not be a controlling shareholder or member, nor represent such a shareholder or member;
5. the person must not have, and must not have had in the preceding year, any significant business relationship with the Company or any related company, either directly or as a partner, shareholder, member, director or officer of an entity with such a relationship;
6. the person must not be, and must not have been within the last three (3) years, a partner or employee of a current or previous external audit firm of the Company and the Related Company;
7. the person must not have served as a member of the Company's Audit Committee for more than 12 (twelve) years;
8. the person must not be a close family member of the director of the Company or of the persons referred to in points 1 to 7.

The meeting found that all members of the Audit Committee meet the requirements for Audit Committee members in accordance with the Terms of Reference for the Audit Committee.

The Audit Committee organises its work taking into account the specific nature of the Company's activities, external factors and changes in the legal environment. The Committee monitored the preparation of the Company's financial statements and members were informed of any possible inconsistencies with accounting policies or disclosure issues. There was regular communication between the members of the Audit Committee

and those responsible for the preparation of the financial statements, and information relating to the work of the independent auditor was obtained.

The Company's management cooperated closely with the members of the Audit Committee and provided timely and appropriate detailed information relating to the specific accounting, financial and operational features of the Company. The audit findings were communicated to the Company's management and a plan of action was developed to address the identified weaknesses.

The Group maintains its accounting records and prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Sufficient attention is paid to the timely implementation of all legislative changes governing the preparation of financial statements.

The consolidated Rokiškio sūris Group consists of the parent company Rokiškio sūris and five subsidiaries - Rokiškio pienas UAB, Rokiškio pieno gamyba UAB, Jekabpils piena kombinats SIA, DairyHub.lt UAB, Kaunata SIA.

The Company operates in accordance with an operational strategy prepared and approved by the Board of Directors, with key objectives covering the most important areas of governance. The Company operates a system of internal control to achieve these objectives. Their main functions are to analyse, evaluate and make recommendations for improving the efficiency of the Company's business processes. The Company's business processes are managed and controlled through information systems. The Company's information systems are continuously updated and improved by introducing new modules in line with the changing needs of the Company and its business processes.

The 2021 financial statements of AB Rokiškio sūris Group were audited by PricewaterhouseCoopers UAB, an independent international audit firm. During a meeting on 18 November 2021, the audit team of UAB PricewaterhouseCoopers and the stakeholders of the company discussed a summarised audit plan, which sets out the stakeholders' and UAB PricewaterhouseCoopers' general understanding of the current situation, the description of the main risk factors, the ESEF financial reporting, the provision of corporate sustainability information, the audit plan of the external auditors, and other issues. The Audit Committee approved the draft audit engagement and had no comments. In accordance with the requirements of the Audit Law of the Republic of Lithuania, the Audit Firm has provided the Audit Committee with a written confirmation of the Audit Firm's independence. The Audit Committee has not identified any instances of the provision of services that are contrary to the laws on auditing of the Republic of Lithuania and the principles of professional ethics of auditing and that may affect the independence of the audit firm.

In the opinion of the Audit Committee, the Company's internal control system operates effectively, objectively and independently to provide management with the necessary information at the required intervals. The financial statements are prepared on a timely basis in accordance with International Financial Reporting Standards as adopted by the EU and present fairly the financial information. The members of the Committee, having taken note of the consolidated audited annual financial statements and the consolidated annual report, proposed to the Board of Directors of the Company to submit the consolidated audited annual financial statements for the year 2021 to the shareholders of the Company for approval.

Kęstutis Gataveckas, Chairman of the Audit Committee

