

## THE REPORT OF SUPERVISORY BOARD OF AS VALMIERAS STIKLA ŠĶIEDRA FOR YEAR 2019

October 23, 2020

In 2019, 7 Council meetings took place. Last year there were changes in the composition of the Supervisory and the Management Board. Mr. Jöran Pfuhl left the board as he became the Managing director of P-D VALMIERA GLASS USA Corp. Mr. Peter Theis Klauberg was elected as a Deputy Chairman of the Supervisory Board and Mr. Ainārs Ozols was elected a member of the Supervisory Board in June, 2019. Mrs. Doloresa Volkopa and Mr. Andre Heinz Schwiontek resigned as members of the Board, while Ingo Bleier was elected as a member of the Board.

The main issues discussed at the 2019 Council meetings were, inter alia:

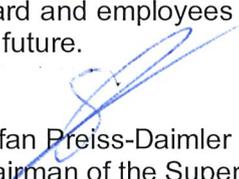
- Investment status of P-D Valmiera Glass USA Corp.;
- Decision on sale of P-D Valmiera Glass USA Corp.;
- Legal Protection Process (LPP);
- P-D Valmiera Glass USA Corp. insolvency proceedings (Chapter 11);
- Negotiations with Latvian financial institutions.

The Supervisory Board, during the 2019 meetings, reviewed the quarterly reports prepared by the Management Board on the activities of the Company and its subsidiaries, reviewed and approved the annual financial report for 2018 and the budget for 2020, which was prepared for both AS VALMIERAS STIKLA ŠĶIEDRA and its subsidiaries. The Supervisory Board gave instructions and made proposals to the Management Board on improvements in the Company's operations.

During the reporting period, the Supervisory Board regularly received reports from the Management Board on the Company's operations, economic and financial condition. The Supervisory Board has supervised the activities of the Management Board in all main directions and ensured that the Company operates in accordance with regulatory requirements, the Company's Articles of Association, resolutions of the General Meeting of Shareholders, as well as the principles of Corporate Governance and Sustainability non-financial reporting. The Council has also examined and approved the submitted budget of the Company.

The Supervisory Board adopted the recommendations of the Management Board and the Audit Committee on the election of the Company's auditors for the audit of the 2019 financial statements. The Company's annual report for 2019 has been audited by the international audit company AS KPMG Baltics. The Supervisory Board approved the separate and consolidated financial statements (all details and assessments are described in the financial statements).

Despite the difficulties, the Supervisory Board of the Company congratulates the Management Board and employees on their performance in 2019 and wishes them success and growth in the future.

  
Stefan Preiss-Daimler  
Chairman of the Supervisory Board