

Riga City, June 4, 2020

REPORT OF THE COUNCIL OF JOINT STOCK COMPANY GRINDEKS

June 30, 2020

FOR THE REGULAR MEETING OF THE SHAREHOLDERS

The Council of JSC „GRINDEKS” (hereinafter is to be referred to as JSC „Grindeks”) has reviewed the 2019 annual report of JSC „Grindeks” that was prepared by the Board of the Directors in accordance with the requirements of the legislation of the Republic of Latvia and the consolidated annual report of JSC „Grindeks” for 2019 that was prepared in accordance with International Financial Reporting Standards, as well as the opinion of sworn auditors on this report. Both annual reports of JSC „Grindeks” for 2019 that were submitted to the Council had been prepared in accordance with the requirements of regulatory enactments and the Council hereby recommends the shareholders to approve them.

The Council of JSC „Grindeks” has received and scrutinized the report of the Audit Committee and considers that the Audit Committee performed its duties in good faith and in accordance with the requirements of the Financial and Instruments Market Law.


During the year of 2019, the Council of JSC „Grindeks” operated and supervised the Board of the Directors in accordance with the Commercial Law of the Republic of Latvia, holding a total of 15 Council meetings, at which the reports that had been submitted by the Board of the Directors on the activities of JSC „Grindeks” were regularly reviewed. Among other things, within the scope of its competence, the Council provided recommendations to the Board of the Directors for the improvement of the business activity of JSC „Grindeks”. The Council of JSC „Grindeks” evaluates the overall work of the Board of the Directors as positive.

The Council of JSC „Grindeks” has also got acquainted with the Corporate Governance Report for 2019 prepared by the Board of the Directors in accordance with the „Principles of Corporate Governance and Recommendations for their Implementation” issued by JSC „Nasdaq Riga”, and considers that the Board of the Directors of JSC „Grindeks” has put much effort to ensure that JSC „Grindeks” complies with the recommended principles of the corporate governance in its operations. The Council of JSC „Grindeks” is also guided by these principles in its activities.

The Council supports the draft resolutions prepared by the Board of the Directors on the issues included in the agenda of the regular meeting of the shareholders of JSC „Grindeks” that is scheduled for June 30, 2020.

Finally, the Council of the shareholders would like to thank the employees and the Board of the Directors of JSC „Grindeks” for their work in 2019, appreciating the efforts of the company to grow and improve continuously, including in the field of corporate social responsibility.

Chairman of the Council



Kirovs Lipmans