

Joint Stock Company  
" Siguldas ciltslietu un mākslīgās apsēklošanas stacija "  
Registration no. 40003013295

## REPORT OF THE *SUPERVISORY BOARD*

General meeting of Shareholders of joint stock company "Siguldas ciltslietu un mākslīgās apsēklošanas stacija" 2016 report.

March 20, 2017

Sigulda

The Supervisory Board has considered the report of the Joint Stock Company 2016. The Annual Report provides complete information about the company's economic activity. Economic activity has been carried out in accordance with the financial capability and technical support. The joint stock company has paid all taxes, fully paid employees wages. The Company's net sales during the reporting period decreased by 3.1% or 34 thousand euro compared to the previous 2015. This is because in the reporting year, the country and Europe still ongoing crisis in the dairy sector.

Together with the annual report had submitted to the sworn auditor's report. The auditor has acknowledged that the JSC " Siguldas ciltslietu un mākslīgās apsēklošanas stacija " 2016 report provides a true and fair view of the Company's financial position at 31 December 2016 and the company's operating results and cash flows. The auditor has not detected any material inconsistencies between the financial information presented in the management report and the 2016 financial statement.

Management report are set out in the public development activities 2017.

By increasing operational efficiency, the company will continue to work to expand their production and services market size for ensuring the company's competitiveness.

Supervisory Board has examined the proposal of the Management Board on the 2016 profit distribution of EUR 85 322. The Supervisory Board considers that the Management Board proposal do not the profit, but the cost of the previous year profits in dividends to 63 366 euros, which is a 0.15 euros per share, corresponding to the joint stock company existing financial possibilities.

The Supervisory Board believes that the joint-stock company, in spite of the unfavorable situation in the industry and competition in the market in 2016, has worked well. The submitted 2016 financial statements are true and fair information on the results of operations, cash flows and financial position as at 31 December 2016.

The Supervisory Board is a proposal to approve the general meeting of shareholders of JSC " Siguldas ciltslietu un mākslīgās apsēklošanas stacija " 2016 accounts and dividends from retained earnings of previous years 63 366 euros, which is a 0.15 euros per share.

2016, the Supervisory Board has fulfilled its duties and monitored the operations of the Company in accordance with the law, reviewed the financial statements. During the year took place in 5 Council meeting. Meetings were examined financial statements, the Management Board reports on the work, as well as prospects for the future of AS-related issues.

The Supervisory Board wishes to thank the Company's Management Board and all employees of the company on a successful past financial year.

\_\_\_\_\_ Inita Bedrīte, Chairman of the Supervisory Board

\_\_\_\_\_ Maija Beča, Deputy Chairman of the Supervisory Board

\_\_\_\_\_ Ērika Everte, Member of the Supervisory Board

\_\_\_\_\_ Solvita Arcimoviča, Member of the Supervisory Board

\_\_\_\_\_ Jekaterina Kreise, Member of the Supervisory Board