

Decisions adopted at the annual shareholders meeting on 4 December, 2020 (Protocol number 33)

The subscribed and paid-up share capital amounts – 4 158 252 EUR,

The nominal value of each share is 1,40 EUR.

Registered participants of the meeting represent 63,12% or 1 874 912 shares with rights to vote,
represented amount of capital 2 626 876,80 EUR.

Vote – Adopt the Remuneration policy for the Management board and Supervisory Council:

“For” – 1 874 912 votes (100%)

“Against” – 0 votes

Joint Stock Company "SAF Tehnika" Remuneration policy for the Management Board and Supervisory Council

1. The remuneration policy (hereinafter - the Policy) for the Management Board and Supervisory Council of the Joint Stock Company "SAF Tehnika", unified registration number 40003474109 (hereinafter - Company), has been drafted in order to comply with Chapter III¹ of the Law on the Financial Instruments Market of the Republic of Latvia, implementing the Directive (EU) 2017/828 of the European Parliament and of the Council (of 17 May 2017), amending Directive 2007/36/EC regarding promoting the engagement of shareholders in long-term.
2. The Management Board and Supervisory Council remuneration policy aims to increase the corporate transparency of SAF in order to contribute the implementation of the strategy, long-term interests and sustainability.
3. The Management Board of SAF, shall draft a Remuneration Policy and submit it to the meeting of shareholders for approval at least once in a four-year period. Any amendments to the Remuneration Policy require an approval by the Shareholders' Meeting; the approval of amendments is treated as approval of the Remuneration Policy in a new wording.
4. The Remuneration of the Management Board and Supervisory Council members is based on the following main principles:
 - 4.1. The members of the Management Board and Supervisory Council do not receive separate Remuneration for the performance of their duties as members of the Management Board and Supervisory Council.
 - 4.2. Any Remuneration of the Management Board members and Supervisory Council, which are in an employment relationship with the Company in any other capacity, shall be included in their salary. The right to reclaim or defer the Remuneration is not provided. In case a member of the Management Board and Supervisory Council is employed by or has other civil relationship with the Company, the Remuneration shall be included in salary and other payments or benefits to the Management Board and Supervisory Council members. Salary arising from employment or other civil law relationship could vary depending on granting of, premiums, bonuses, health insurance or other benefits
 - 4.3. The Salary shall be constructed in such a way as to remunerate Management Board and Supervisory Council members appropriately based on their commitment, qualifications and actual responsibility and to avoid conflicts of interest.
 - 4.4. By stipulating the Remuneration to Management Board and Supervisory Council members, the remuneration of the SAF employees and management bodies shall be considered.
 - 4.5. The members of the Management Board and Supervisory Council who are in an employment relationship with SAF are entitled to Variable remuneration, if such is provided by SAF in the given financial year.

- 4.6. Variable Remuneration is paid only when the Company's overall financial situation permits so and when it is reasonable, considering the relevant business unit's and specific individual's performance. Variable Remuneration can be reduced or annulled if the Company's financial performance has worsened or is negative.
5. Prior to accepting a position on the Board, each member of the Management Board shall familiarize themselves with this Remuneration policy.
 6. The Company does not provide share-based Remuneration.
 7. The Company does not provide for additional pension payments to the members of the Management Board and Supervisory Council.
 8. Unless the General Shareholders' Meeting decides otherwise, this Remuneration policy shall also be applied to any new Management Board member joining the Management Board of the Company.
 9. Pursuant to the articles of association of SAF, the term of office of the members of the Management Board is 3 (three) years. The Supervisory Council is elected for a term not exceeding 5 (five) years.
 10. According to the Commercial Law of the Republic of Latvia, a member of the Management Board may be removed by a decision of the Supervisory Council for serious reason. Serious reasons hereunder include gross violation of authority, breach of duties, inability to manage the Company, damage caused to the Company's interests and no confidence expressed by the Shareholders' Meeting. Members of the Supervisory Council may be dismissed at any time by a decision of the Shareholders' Meeting.
 11. The Management Board shall draw up an annual report on Remuneration awarded or paid in the previous financial year or due for the previous financial year, indicating the remuneration of every existing or former Board and Council member.
 - 11.1. The Remuneration Report shall not include any special categories of the personal data of Board and Council members, such as racial or ethnic origin, political opinions, religion or philosophical beliefs, trade union membership, biometric data for the purpose of uniquely identifying a natural person, data about a natural person's health, sex life or sexual orientation, or data concerning the marital status of Board and Council members. The Remuneration Report presents components of Remuneration relating to an individual's marital status and indicates only the amount of the Remuneration awarded, without stating grounds for the respective award.
 - 11.2. The Management Board of SAF shall prepare the Remuneration Report as a separate part of the annual financial statement and shall submit it to the shareholders' meeting, to be examined together with the rest of the annual financial statement. In the Remuneration Report, the Management Board shall explain reports on how the vote of the Shareholders' meeting and the opinions of shareholders regarding the previous Remuneration Report have been taken into account.
 - 11.3. The Management Board of SAF shall ensure that the Remuneration Report is published on the SAF's website immediately after the shareholders' meeting and remains publicly accessible there for free for no less than 10 years after its publication date.