

With the following voting results:

Total number of participants entitled to vote \_\_\_\_\_

Number of votes cast according to the number of voting shares \_\_\_\_\_

Share of the voting share capital represented at the Shareholders' Meeting by the votes cast \_\_\_\_\_

Number of votes cast "for" approval of the Remuneration Policy \_\_\_\_

Number of votes cast "against" approval of the Remuneration Policy \_\_\_\_

**Remuneration policy of the members of the Management Board and the Supervisory Council of the Joint Stock Company "PATA Saldus"**

Definitions used:

Company	AS "PATA Saldus", Reg. No. LV40003020121
Management Board	Management Board of the Company
Supervisory Council	Supervisory Council of the Company
Shareholders	Owners of the Company's capital shares (stocks)
Fixed remuneration	Fixed part of remuneration (gross), which includes salary, job-related payments and other benefits not related to the performance of the members of the Management Board and the Supervisory Council
Variable remuneration	Variable part of remuneration (gross) or annual bonuses and possible one-off disbursements granted to the members of the Management Board in addition to the Fixed Remuneration for the financial year
Remuneration	All types of Fixed and Variable Remuneration and Additional Payments provided directly or indirectly by the Company in exchange for professional services of the members of the Management Board and the Supervisory Council
Additional benefits	In addition to the Fixed Remuneration and the Variable Remuneration, the Company may offer various privileges - insurance, car, mobile phone for work purposes
Policy	This policy of the members of the Management Board and the Supervisory Council of the Company
Remuneration report	Statement of remuneration of the members of the Management Board and the Supervisory Council granted or paid during the previous financial year or due to each current or former member of the Management Board and the Supervisory Council for the previous financial year

1. The remuneration policy of the members of the Management Board and the Supervisory Council of AS "PATA Saldus" has been developed in compliance with the requirements of Chapter III of the Financial Instrument Market Law, whereby Directive (EU) 2017/828 of the European Parliament and of the Supervisory Council of 17 May 2017 amending Directive 2007/36/EC is implemented in the Republic of Latvia.

2. The aim of the policy is to determine the basic principles of Remuneration of the Company's Management Board and Supervisory Council, promoting the development of the Company's competitive, productive and innovative culture, attracting high-level professionals, as well as ensuring long-term growth of the Company.
3. The Management Board of the Company, in consultation with the Supervisory Council, develops the remuneration policy and submits it for approval at the Company's Shareholders' Meeting at least once every four years. If amendments are made to the remuneration policy, they shall be approved by the Shareholders' Meeting, and it shall be deemed that the new wording of the Policy is approved with the approval of amendments.
4. The policy is developed in accordance with the Company's business strategy, goals, values and long-term interests, avoiding conflicts of interest. If a conflict of interest is identified, the members of the Management Board are denied the opportunity to participate in determining their Remuneration.
5. Before agreeing to hold a specific position in the Management Board or the Supervisory Council, each member of the Management Board and the Supervisory Council must read this policy (available on the Company's website).
6. No Fixed Remuneration is set for the members of the Management Board and the Supervisory Council of the Company.
7. No Variable Remuneration is set for the members of the Supervisory Council of the Company.
8. Variable Remuneration is set for the members of the Management Board of the Company. Variable Remuneration is granted once a year based on the Company's annual results. There is no right to reclaim or defer the Variable Remuneration.
9. The Variable Remuneration component may change. It depends on the Company's financial results. It is about meeting short-term and long-term goals. The Variable Remuneration is paid taking the overall financial position of the Company into account, and is based on the performance of the particular member of the Management Board.
10. The maximum total Variable Remuneration for the Management Board may amount to up to 7% of the Company's adjusted net profit.
11. When determining the remuneration of the members of the Management Board, the remuneration and employment conditions of the Company's employees must be taken into account. The remuneration of the members of the Management Board must be fair and awarded to each member of the Management Board for the fulfilment of measurable criteria of actual high quality.
12. The Variable Remuneration must reflect the results of the Company's operations, as well as the personal contribution of the members of the Management Board to the operations of the Company.
13. The Company's operating results are reflected by:
  - 13.1. Financial indicators (turnover, net profit)
  - 13.2. Company's development dynamics
  - 13.3. Production volume
  - 13.4. Short-term and long-term plans implemented
  - 13.5. Budget implementation
  - 13.6. Product sales results, introduction of new products
  - 13.7. Risk management, analysis, control
14. Personal contribution of the members of the Management Board is characterised by:
  - 14.1. Actual amount of responsibilities, investment of time
  - 14.2. Professionalism and competence
  - 14.3. Participation in the decision-making process
  - 14.4. Management and/or supervision of specific projects and/or activities

- 14.5. Involvement in the implementation of the Company's goals and tasks (including financial and commercial activities, personnel issues, labour and environmental protection, safety management; provision of legal protection for the Company; ensuring product and production certification, etc.)
- 14.6. Level of responsibility.
15. According to the Articles of Association of the Company, the term of office of both the Management Board and the Supervisory Board shall be 5 (five) years. A member of the Management Board may be removed by a decision of the Supervisory Board. A member of the Management Board may be removed by the Supervisory Board if there is an important reason for it. Such reason shall be a gross violation of authority, failure to perform or improper performance of duties, damage to the interests of the Company, as well as distrust expressed by the Shareholders' Meeting. A member of the Management Board may be removed by the decision of the Shareholders' Meeting.
16. The Management Board of the Company shall prepare a clear and comprehensible annual report on the remuneration granted or paid during the previous financial year or due to each current or former member of the Management Board for the previous financial year. The remuneration report shall include identifying information on each member of the Management Board and the Supervisory Board (name, surname, position), as well as at least the following information on the remuneration of each member of the Management Board and the Supervisory Board:
  - 16.1. Total Remuneration divided by Remuneration components and relative (percentage) share of the Fixed and Variable Remuneration
  - 16.2. An explanation of how the total Remuneration complies with this Policy, how it contributes to the Company's long-term performance and how the Company's performance criteria were applied in determining the Remuneration
  - 16.3. Changes in the last five years in a comparable way regarding the remuneration of each member of the Management Board and the Supervisory Board, the results of the Company's operations and the remuneration of the Company's normal (full-time) employees
  - 16.4. Remuneration received from another company belonging to one group within the meaning of the Law on Annual Accounts and Consolidated Annual Accounts
  - 16.5. Information on any deviations from the Remuneration Policy.
17. If any requirement referred to in Clause 15 is not applied, it must be clearly indicated and explained in the Remuneration Report.
18. The Remuneration Report shall not include personal data of specific categories of members of the Management Board and the Supervisory Board, such as ethnic origin, religion, biometrics for personal identification, health data or data relating to the marital status of members of the Management Board and the Supervisory Board. In this case, the Remuneration Report shall include the components of the Remuneration related to the marital status, indicating only the amount of the Remuneration granted and without indicating the justification for the award.
19. The Management Board of the Company prepares the Remuneration Report as a separate component of the annual report and submits it for consideration at the Shareholders' Meeting together with other components of the annual report. The Management Board shall explain in the Remuneration Report how the vote of the Shareholders' Meeting and the shareholders' opinions on the Remuneration Report of the previous financial year have been taken into account.
20. The Management Board of the Company ensures that the Remuneration Report is immediately published on the Company's website after the Shareholders' Meeting, where it is publicly available free of charge for at least 10 years from the date of publication.
21. In exceptional cases, the Company may apply a temporary deviation from the Remuneration Policy. Only ensuring the Company's sustainability, solvency or long-term interests can be considered an exceptional case.