

SAF Tehnika JSC
Remuneration Report
for the year ended
June 30, 2022

SAF TEHNIKA JSC
REMUNERATION REPORT
FOR THE YEAR ENDED JUNE 30, 2022

Introduction

The remuneration report of the Board and Council of the joint stock company "SAF Tehnika" (hereinafter referred to as the Company) for the year ended June 30, 2022, has been prepared in accordance with the remuneration policy of the Board and Council, which was developed in accordance with the requirements of Section D Chapter III¹ of the Financial Instruments Market Law, which introduced Directive (EU) 2017/828 of the European Parliament and of the Council in the Republic of Latvia as regards the encouragement of long-term shareholder engagement.

The remuneration report has been drawn up by the Board of the Company. The remuneration report is checked by a sworn auditor and is reviewed and approved at the shareholders' meeting together with other components of the Company's annual report.

1. Remuneration of the Company's Board and Council members is based on the following basic principles:

1.1. Members of the Board and Council of the Company do not receive special remuneration for the performance of their duties as members of the Board or Council.

1.2. For members of the Board/Council who have an employment relationship with the Company in any other position, remuneration is included in the salary. The right to reclaim or defer compensation is not provided for. If a member of the Board/Council has an employment or other civil relationship with the Company, remuneration includes salary and other payments or benefits to a member of the Board/Council. The part of remuneration resulting from employment relationship or other civil relations may vary, for example, in case of granting bonuses, extras, health insurance, etc.

The determination of the management remuneration takes into account the professional skills of each member of the Board, the level of responsibility for the work process and resources, as well as the Company's overall financial indicators based on annual results, budget and sales forecasts, sales promotion.

The remuneration report includes information for the reporting year, as well as comparative information for the year ended on June 30, 2021, which was the first year when such remuneration report was prepared.

The remuneration report for the reporting year ending on 30 June, 2021 was approved at the shareholder's meeting on 8 December 2021. The decision was adopted, with 1863281 votes "in favour", 9 votes "against", 10 votes "abstentions".

Remuneration of members of the Board

The fixed remuneration of the members of the Board includes the salary and change in accruals for unused vacations and may include other benefits and privileges not related to the performance of job duties or tasks, such as health insurance, private use of the Company's car or mobile communication device within certain limits, as well as subsistence (food) allowance in accordance with the concluded collective agreement, etc.

Variable remuneration may consist of the following costs in monetary form:

- annual bonuses based on the results of the previous reporting year of the Company;
- individual payouts for special achievements or events.

Remuneration of members of the Council

The fixed remuneration of the members of the Council includes the salary and change in accruals for unused vacations and may include other benefits and privileges not related to the performance of job duties or tasks, such as health insurance, private use of the Company's car or mobile communication device within certain limits, as well as subsistence (food) allowance in accordance with the concluded collective agreement, etc.

Members of the Council do not receive additional payments for work on the Audit Committee. Members of the Council who do not have an employment relationship with the Company do not receive special remuneration for performing the duties of members of the Council.

Term of office of the Council is from November 20, 2021 to November 20, 2024.

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Remuneration of members of the Board and Council and other benefits paid or payable for the financial year 2021/2022 is presented below:

Name, Position	Fixed Remuneration			Variable Remuneration EUR	Total Remuneration EUR	Fixed / Variable Remuneration %	
	Salary EUR	Other Benefits EUR	Total EUR				
Normunds Bergs Chairman of the Board	74 683	3 669	78 352	12 580	90 932	86%	14%
Didzis Liepkalns Chief Technical Officer, Member of the Board	58 449	941	59 390	17 540	76 930	77%	23%
Zane Jozepa Head of Finance and Administrative Department, Member of the Board	63 190	7 381	70 571	20 216	90 787	78%	22%
Jānis Bergs Vice President of Sales and Marketing, Member of the Board	253	342	595	-	595	100%	0%
Jānis Bergs Vice President of Sales and Marketing, Member of the Board (another company of the Group)	159 584	17 413	176 997	283 895	460 892	38%	62%
Total Board remuneration	356 159	29 746	385 905	334 231	720 136	54%	46%
Juris Zieme Head of Production, Chairman of the Council	61 783	6 092	67 875	19 475	87 350	78%	22%
Andrejs Grišāns Head of Production, Vice-Chairman of the Council	43 954	5 509	49 463	13 630	63 093	78%	22%
Aira Loite Director of Digital Trans formation, Chairman of the Council	47 837	625	48 462	10 661	59 123	82%	18%
Total Council remuneration	153 574	12 226	165 800	43 766	209 566	79%	21%

Average remuneration of full-time employees (excluding members of the Board and Council) for the reporting year ended on 30 June, 2022.

Company
June 30, 2022

Average remuneration per employee, EUR

32 815

Salary is presented by the accrual method.

THE DOCUMENT IS SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP

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Remuneration of members of the Board and Council and other benefits paid or payable for the financial year 2020/2021 is presented below:

Name, Position	Fixed Remuneration			Variable Remuneration EUR	Total Remuneration EUR	Fixed / Variable Remuneration %	
	Salary EUR	Other Benefits EUR	Total EUR				
Normunds Bergs Chairman of the Board	75 721	2 831	78 552	15 062	93 614	84%	16%
Didzis Liepkalns Chief Technical Officer, Member of the Board	52 720	785	53 505	13 157	66 662	80%	20%
Zane Jozepa Head of Finance and Administrative Department, Member of the Board	61 026	7 056	68 082	13 826	81 908	83%	17%
Jānis Bergs Vice President of Sales and Marketing, Member of the Board	2 479	336	2 815	8 772	11 587	24%	76%
Jānis Bergs Vice President of Sales and Marketing, Member of the Board (another company of the Group)	98 823	5 179	104 002	600 844	704 846	15%	85%
Total Board remuneration	290 769	16 187	306 955	651 661	958 616	32%	68%
Juris Ziema Head of Production, Chairman of the Council	53 065	5 607	58 672	13 157	71 829	82%	18%
Andrejs Grišāns Head of Production, Vice-Chairman of the Council	35 355	4 547	39 902	13 145	53 047	75%	25%
Total Council remuneration	88 420	10 154	98 574	26 302	124 877	79%	21%

Average remuneration of full-time employees (excluding members of the Board and Council) for the reporting year ended on 30 June, 2021.

Average remuneration per employee, EUR	Company June 30, 2021 27,433
Salary is presented by the accrual method.	

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Number of shares and share options granted and offered and the main conditions for the use of options, including the price and date of their use, and their changes (if any)

None

Information on cases where a variable part of remuneration has been reclaimed

None

Temporary derogations applied, including an explanation of the nature of the exception and an indication of the specific components of the remuneration policy for which the temporary derogation has been applied

None