

With the following voting results:

Total number of participants entitled to vote 737 576

Number of votes cast according to the number of voting shares 737 576

Share of the voting share capital represented at the Shareholders' Meeting by the votes cast 95.26%

Number of votes cast “for” approval of the Management board and supervisory council remuneration report 737 576 or 100%

Number of votes cast “against” approval of the Management board and supervisory council remuneration report 0 or 0%



**JOINT STOCK COMPANY “PATA SALDUS”
Reg. No. LV40003020121**

**MANAGEMENT BOARD AND SUPERVISORY COUNCIL
REMUNERATION REPORT
ABOUT 2020 YEAR**

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INTRODUCTION

The remuneration policy of the members of the Management Board and the Supervisory Council of AS "PATA Saldus" for 2020 has been developed according to the Management Board and Supervisory Council Members Remuneration Policy approved on 30 July 2020 in the shareholders' meeting of the Company and in compliance with the requirements of Chapter III¹ of the Financial Instrument Market Law, whereby Directive (EU) 2017/828 (17 May 2017) of the European Parliament and of the Supervisory Council amending Directive 2007/36/EC is implemented in the Republic of Latvia.

The remuneration report has been prepared by the Management Board of the Company and reviewed by the Supervisory Council of the Company. The remuneration report is examined and confirmed by a sworn auditor and it is reviewed and approved at the shareholders' meeting together with other components of the annual report.

The remuneration report is published simultaneously with the audited annual report of the Company as a separate component of the annual report in Latvian and English on the Company's website: <http://patasaldus.lv>, in the section "Information for shareholders", as well as on the Nasdaq Riga website: <http://nasdaqbaltic.com> and on the website of the Financial and Capital Market Commission: <https://csri.investinfo.lv/>.

The Company closed 2020 with a profit of EUR 5,400,420. Compared to 2019, the profit for the reporting year has increased by EUR 7,265,679, which was mainly due to a decrease in costs.

The Company's net turnover in 2020 was EUR 57,617,808, which is EUR 230,542 or 0.4% more than in 2019.

In 2020, there were no significant events, as well as no significant risks that the Company could face and that could affect its financial position and financial results of future operations.

TERMS USED

Company - Joint Stock Company “PATA Saldus”, reg. No. 40003020121

Management Board - the Management Board of the Company.

Supervisory Council - the 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.

Policy - Remuneration policy approved by the shareholders' meeting.

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.

Additional Privileges - Privileges the Company can offer in addition to Fixed Remuneration and Variable Remuneration - insurance, car, mobile phone for work purposes.

REMUNERATION OF MANAGEMENT BOARD MEMBERS

Name, surname, position	Fixed remuneration, EUR				Variable remuneration, EUR			Total remuneration, EUR	Versus total,%	
	Salary	Remuneration of a Member of the Management Board	Holiday pay	Health insurance	Premium	Gifts	Severance pay		Fixed	Variable
Gatis Zommers Chairman of the Management Board, Head of the Wood Processing Department	39 036	-	9 054	362	-	-	-	48 452	100	-
Jānis Mierkalns Member of the Management Board, Head of Timber Trade SIA PATA	62 136	-	1 845	448	-	-	-	64 429	100	-
Ilze Bukulde Member of the Management Board, Chief Financial Officer (until 18.12.2020) SIA PATA	65 891	-	6 466	523	-	-	12 000	84 880	85.9	14.1
2020 total	167 063	-	17 365	1 333	-	-	12 000	197 761	93.9	6.1

In accordance with the Company's remuneration policy, no fixed (fixed) remuneration is set for the Members of the Management Board. Variable Remuneration is granted once a year based on the Company's annual results. The Fixed Remuneration indicated in the Remuneration Report includes the fixed basic salary of a Member of the Management Board in exchange for the functions performed by the Member of the Management Board during the reporting financial year as the Head of the Company's Wood Processing Department. The Fixed Remuneration specified in the Remuneration Report of the other members of the Management Board includes a fixed basic salary in exchange for the functions performed by other members of the Management Board as employees of SIA PATA, which belongs to the same group within the meaning of the Law on Annual Accounts and Consolidated Annual Accounts.

REMUNERATION OF SUPERVISORY BOARD MEMBERS

Name, surname, position	Fixed remuneration, EUR				Variable remuneration, EUR			Total remuneration, EUR	Versus total,%	
	Salary	Remuneration of a Member of the Management Board SIA PATA	Holiday pay	Health insurance	Annual Bonus	Benefit received by a natural person	Severance pay		Fixed	Variable
Uldis Mierkalns Chairman of the Supervisory Council, Director SIA PATA	39 523	36 000	6 498	225	-	327	-	82 573	99.6	0.4
Jānis Bertrāns Deputy Chairman of the Supervisory Council, Adviser to Chairman of the Management Board	21 367	-	789	345	-	-	-	22 501	100	-
Inga Mierkalna Member of the Supervisory Council, Head of the Customer Service Department (until 06.05.2020) SIA PATA	14 766	-	26 025	186	-	-	-	40 977	100	-
Inga Jākobsone Member of the Supervisory Council, Lawyer SIA PATA	25 155	-	2 223	361	-	-	-	27 739	100	-
2020 total	100 811	36 000	35 535	1 117	-	327	-	173 790	100	-

In accordance with the Company's remuneration policy, no fixed (fixed) remuneration is set for the Members of the Supervisory Council. The Fixed Remuneration indicated in the Remuneration Report includes the fixed basic salary of a Member of the Supervisory Council in exchange for the functions performed by the Member of the Supervisory Council during the reporting financial year as Consultant to Chairman of the Management Board of the Company. The Fixed Remuneration specified in the Remuneration Report of the other members of the Supervisory Council includes a fixed basic salary in exchange for the functions performed by other members of the Supervisory Council as employees of SIA PATA, which belongs to the same group within the meaning of the Law on Annual Accounts and Consolidated Annual Accounts.

Employment Agreements with members of the Management Board and the Supervisory Council as employees of the Company are concluded for an indefinite period of time, there are no special conditions, in the case of termination of Agreements no additional payments are made, terms and conditions of termination are in accordance with the Labour Law.

Separate agreements on the performance of the duties of the Members of the Management Board and the Supervisory Board are not concluded.

REMUNERATION OF MANAGEMENT BOARD AND SUPERVISORY COUNCIL

		Fixed remuneration, EUR				Variable remuneration, EUR			Total remuneration, EUR	Versus total, %	
		Salary	Remuneration of a Member of the Management Board	Holiday pay	Health insurance	Annual Bonus	Benefit received by a natural person	Severance pay		Fixed	Variable
Management Board	2020	167 063	-	17 365	1 333	-	-	12 000	197 761	93.9	6.1
Supervisory Council	2020	100 811	36 000	35 535	1 444	-	327	-	173 790	99.8	0.2
Total	2020	267 874	36 000	52 900	2 777	-	327	12 000	371 551	96.7	3.3
Equivalent unit full-time employee, average	2020	19 270	-	-	279	-	-	-	19 549	100	0

Remuneration of the Management Board and the Supervisory Council is in line with the policy. No additional payments, including those related to the termination of the Agreement, were made, except for the mandatory payments specified by the Labour Law upon termination of the employment relationship.

No shares or share options were granted or offered.

The variable part of the remuneration was not claimed.

The Members of the Management Board of the Company do not violate the established powers, perform the assigned duties properly, and do not harm the interests of the Company.

There were no exceptional cases of temporary derogations from the remuneration policy.

Gatis Zommers
Chairman of the Board

Jānis Mierkalns
Member of the Board

Ilze Bukulde
Board Member

29 April 2021