

**AS „RĪGAS KUĢU BŪVĒTAVA”
REPORT ON REMUNERATION
2020**

(Annex to Annual Report 2020)

Rīga, 2022

AS “RĪGAS KUĢU BŪVĒTAVA”, hereinafter referred to as the *Company*, has prepared the Report on Remuneration of the Members of the Council and Board of Directors 2020, hereinafter referred to as the *Report on remuneration*, in compliance with the *Remuneration policy of the Board of Directors and Council* approved by the decision of the General Meeting of the Company Shareholders of December 28, 2020 and developed by following the requirements of the *Law on the Financial Instruments Market* by which the Directive of the European Parliament and Council (EU) 2017/828 (*May 17, 2017*) regarding promotion of long-term involvement of shareholders has been implemented.

The management remuneration policy in the *Company* has been defined in order to maintain and motivate the *Company* management to achieve a high value added in the overall operation of the undertaking, thus implementing the strategic development plan of the undertaking, improving the corporate transparency of the *Company*, by providing the possibility to the Company shareholders to receive clear, understandable and comprehensive information on the remuneration of the *Company* Board of Directors and Council. The management remuneration policy is aimed at remunerating stable performance of the members of the Board of Directors and Council compliant with the interests of the *Company* shareholders, providing efficient risk management and contributing to attainment of the business goals of the *Company* operations. In the course of setting the management remuneration, both the professional skills, the level of responsibility for the work process and resources of every Board Member, the importance of the decisions taken by the relevant person for ensuring the *Company* operations and the individual work performance, as well as the overall financial indices of the *Company*, based on both the annual results, performance of the budget and trade forecast, promotion of sales have been taken into account.

The *Report on remuneration* was prepared by the Board of Directors of the *Company*.

The *Report on remuneration* presents information on remuneration and other benefits paid to the Company Board of Directors and Council in 2020 and is a part of the Annual Report reviewed and approved by the Meeting of Shareholders.

The remuneration of the Board of Directors and Council may include:

Fixed remuneration – the non-variable part of the remuneration for the work in the Company Board of Directors or Council is set in compliance with the relevant person’s professional experience, position, work duties, educational background and other factors;

Variable remuneration – annual bonuses granted in addition to the fixed remuneration in the fiscal year if the work performance indices set for the relevant person in advance are archived;

The *Report on remuneration* along with the audited Annual Report of the *Company* is published in Latvian and English on the *Company* website, as well as in the central storage system of the mandatory official information www.oricgs.lv and on the website of NASDAQ RIGA AS www.nasdaqbaltic.com.

REMUNERATION OF THE MEMBERS OF THE COUNCIL

Remuneration and other benefits of the Members of the Council paid in 2020

Name, surname, position	Fixed remuneration (EUR)			Variable remuneration (EUR)	Total remuneration (EUR)
	Wage	Remuneration of the Member of the Council	Annual vacation		
Vasilijs Meļņiks Chairman of the Council	0,-	29 367,-	0,-	0,-	29 367,-
Aleksandrs Čerņavskis Deputy Chairman of the Council	0,-	13 053,-	0,-	0,-	13 053,-
Gaidis Andrejs Zeibots Council Member	0,-	12 934,-	0,-	0,-	12 934,-

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

Remuneration and other benefits of the Members of the Board of Directors paid in 2020

Name, surname, position	Fixed wage (EUR)			Variable remuneration (EUR)	Total remuneration (EUR)
	Wage	Remuneration of the Member of the Board of Directors	Annual vacation		
Einārs Buks Board Member	0,-	41 134,-	0,-	0,-	41 134,-
Jekaterina Meļņika Board Member (until May 27 th , 2020)	0,-	15 783,-	0,-	0,-	15 783,-
Ainārs Tropiņš Board Member (until May 25 th , 2020)	0,-	18 100,-	0,-	0,-	18 100,-

REMUNERATION OF THE MEMBERS OF THE COUNCIL AND BOARD OF DIRECTORS

Remuneration and other benefits of the Members of the Council and Board of Directors paid in 2020

Institution	Fixed wage (EUR)			Variable remuneration (EUR)	Total remuneration (EUR)
	Wage	Remuneration of the Members of the Council and Board of Directors	Annual vacation		
Board of Directors	0,-	75 017,-	0,-	0,-	75 017,-
Council	0,-	55 354,-	0,-	0,-	55 354,-
TOTAL:		130 371,-			130 371,-

- The remuneration of the Board of Directors and Council in 2020 complied with the policy of remuneration approved by the General Meeting of Shareholders;
- Payment conditions (variable part and/ or other payments) and criteria directly related to the *Company* performance criteria were not applied in setting the remuneration in 2020;
- The *Company* does not belong to the group within the meaning of the *Law on the Annual Financial Statements and Consolidated Financial Statements*;
- Shares or share options were not granted or offered in 2020;
- The variable part of remuneration was not claimed back in 2020;
- No cases of exception with application of temporary deviations from the policy of remuneration were found in 2020.

Board Member

Einārs Buks

Board Member

Deniss Parfens

Prepared on March 07th, 2022