

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 64.80% or 1 924 790 shares with rights to  
vote, represented amount of capital X EUR.  
Vote – Adopt the Remuneration policy for the Management board and Supervisory Council:  
“For” – 1 924 790 votes (100%)  
“Against” – 0 votes

## Dividend Policy of the Joint Stock Company "SAF Tehnika"

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### 1. GENERAL INFORMATION

- 1.1. The Dividend policy (further referred to as Policy) establishes the principles on how the Management Board makes recommendations to the shareholders' meeting regarding the distribution of profit.
- 1.2. The shareholders' meeting decides on the amount and payment procedure of dividends.

### 2. POLICY PRINCIPLES

- 2.1. The Company pays two types of dividends: annual (further referred to as **Annual dividends**) and extraordinary (further referred to as **Extraordinary dividends**)
- 2.2. The objective of the policy is to maintain a balance between the allocation of funds to Shareholders, the Company's strategic objectives, and the financial stability of the Company.
- 2.3. Dividends are only calculated and paid out for shares that have been fully paid for.
- 2.4. The remaining portion of the profit after dividend pay-out is retained as undistributed profit.

### 3. PROCEDURE FOR DISTRIBUTION OF DIVIDENDS

- 3.1. The Management board shall draft a proposal for the shareholders' meeting regarding the amount and pay-out procedure of dividends, considering:
  - 3.1.1. the Articles of Association of the Company and with the laws of the Republic of Latvia;
  - 3.1.2. long-term developmental goals of the Company;
  - 3.1.3. the financial situation of the Company;
  - 3.1.4. legal obligations and liabilities (if any) of the Company, such as the contractual obligations of company financing terms;
  - 3.1.5. the adequacy of capital structure;
  - 3.1.6. the political situation in the Republic of Latvia and globally;
- 3.2. Dividends are calculated based on the profit of the Parent Company as included in the

financial statements. The Company shall prepare the financial statements in accordance with International Financial Reporting Standards (IFRS).

- 3.3. Annual dividends are paid out after the approval of the Company's annual report.
- 3.4. The portion of the profit to be distributed as dividends may vary (decrease or increase) based on a substantiated proposal from the Management Board.
- 3.5. The Company may pay out extraordinary dividends.
  - 3.5.1. The Board shall convene a shareholders' meeting to decide on the extraordinary dividend payout if it receives a corresponding application from shareholders representing no less than 50% plus one share of the Company's share capital.
  - 3.5.2. The Board has the right to convene a shareholders' meeting to decide on the payout of extraordinary dividends on its own initiative, if it deems there to be financial or operational justification.

#### **4. DIVIDEND PAY-OUT PROCEDURE AND TAXES**

- 4.1. The annual dividends shall be paid following the approval of the Company's audited annual financial statements by the General Meeting of Shareholders or upon the decision regarding the payout of extraordinary dividends, in accordance with the rules of Nasdaq CSD SE (depository).
- 4.2. Dividends paid by the Company shall be subject to taxation in accordance with the laws of the Republic of Latvia and may also be subject to taxation in the country of tax residence of the dividend recipient.

#### **5. DISCLOSURE OF INFORMATION**

- 5.1. The policy and any amendments thereto shall be approved by the General Meeting of Shareholders and shall be available on the Company's website.