



AS BALTIKA

2021 REMUNERATION REPORT

Commercial name	AS BALTIKA
Commercial Registry no	10144415
Legal Form of Entity	Public limited liability company
Legal address	Valukoja 10, Tallinn 11415, Estonia
Phone	+372 630 2700
E-mail	baltika@baltikagroup.com
Internet homepage:	www.baltikagroup.com
Main activities	Design, development, purchase and sales arrangement of the fashion brands of clothing
Auditor	AS PricewaterhouseCoopers
Beginning and end of financial year	01.01.2021 - 31.12.2021
Name of parent entity	AS BALTIKA
Name of ultimate parent of group	AS BALTIKA

REMUNERATION REPORT

In this remuneration report of Baltika AS (reporting period 01.01.2021 - 31.12.2021), information is published on the remuneration and benefits paid to the members of the Management Board of Baltika AS in 2021. When determining the remuneration (basic as well as supplementary) of the members of the management bodies of Baltika AS, the company's practice, strategy, short and long-term objectives, financial indicators and the duties and responsibilities of each member of the management are taken into account. Remuneration must be competitive in order to retain professional and competent top managers.

The objective of the remuneration policy is to ensure that the long-term objectives and interests of the company are protected and sustainable. The remuneration report shall be drawn up for the first time and submitted to the shareholders for approval at the Annual General Meeting. This remuneration report forms an integral part of the annual report.

REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD

In 2021, the Group's Board of Directors consisted of two members. The members of the Management Board are remunerated in accordance with their contracts. According to the contract, the members of the Management Board are paid a remuneration and have the possibility to receive a performance bonus once a year based on the achievement of specific, comparable and predetermined targets for the Group's financial performance in the previous year and the achievement of long-term strategic objectives.

The Chairman of the Management Board is paid an annual bonus by the Company of 3% of the audited EBITDA for the year observed (excluding the impact of IFRS16). The payment of the bonus is conditional on the company having a positive operating profit for the year indicated, both with and without the impact of IFRS 16. The annual bonus is capped at 65% of the director's annual remuneration.

The performance bonus is paid annually, with the first performance bonus for the Board of Directors being determined by the Supervisory Board and the other members of the Board of Directors receiving a performance bonus based on the Company's Management Team performance bonus policy. Management Team performance bonuses are based not only on corporate performance but also on personal targets agreed in accordance with the Board member's area of responsibility and focus activities for the year. The performance bonus is normally paid once a year after approval of the annual report.

The fund of the 2021 management bonus scheme is 20% of the annual salary of each member of the management team.

The maximum amount of the bonus for each member of the Management Team is 20% of his/her annual salary, based on actual payments made in 2021. The main condition for the payment of any bonus is the achievement of the company's EBITDA target (excluding IFRS 16).

Gross remuneration paid to Members of the Management Board in 2017-2021:

Maigi Pärnik-Pernik (until 22.05.2020)	2017	2018	2019	2020	2021
Basic salary	64 978	72 770	87 067	42 750	
Performance pay	12 000	0	0	0	
Total remuneration	76 978	72 770	87 067	42 750	
Share of performance pay	16%	0%	0%	0%	
Mae Leyrer (until 22.05.2020)	2017	2018	2019	2020	2021
Basic salary			80 344	44 868	
Performance pay			0	0	
Total remuneration			80 344	44 868	
Share of performance pay			0%	0%	
Triinu Tarkin (until 04.06.2021)	2017	2018	2019	2020	2021
Basic salary				5 000	24 500
Performance pay				0	0
Total remuneration				5 000	24 500
Share of performance pay				0%	0%
Flavio Perini (from 01.04.2020...)	2017	2018	2019	2020	2021
Basic salary				129 226	238 401
Performance pay				0	125 000
Total remuneration				129 226	363 401
Share of performance pay				0%	34%
Brigitta Kippak (from 01.06.2021...)	2017	2018	2019	2020	2021
Basic salary					34 545
Performance pay					6 000
Total remuneration					40 545
Share of performance pay					15%