



# REMUNERATION POLICY IN 2010

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In accordance with the clause 28 of the Information Disclosure Regulations No. 61 Normative regulations concerning information disclosure and observability of an institution's activities, issued by the Financial and Capital Market Commission, and in compliance with the principles for the protection of individual's personal data, Baltikums Bank discloses the information concerning Remuneration Policy at the Bank during the year 2010.

## THE FOLLOWING STRUCTURE OF REMUNERATION SYSTEM IS ESTABLISHED FOR THE BANK:

- ▶ The Council determines and approves the basic principles of the Remuneration Policy, supervises implementation of the Remuneration Policy, determines the amount of remuneration for the Bank's Board members, for the internal audit service's employees, as well as for those appointments, for which the remuneration is equal or exceeds the amount of remuneration assigned to somebody of the Board members. The Council reviews the basic principles of the Remuneration Policy on a regular basis, but no less than once a year, in order to ensure compliance of these principles with the current activities of the Bank and with the Bank's development strategy, as well as with the changes resulting from external factors;
- ▶ The Board is responsible for the observation of the basic principles of the Remuneration Policy determined by the Council, as well as for the development of the appropriate remuneration system and for the execution of the related documents. The Bank's personnel remuneration issues are specified in the Personnel Policy, in the Remuneration Policy and in the Remuneration System's Regulations;
- ▶ The Personnel administration board controls observation of the basic principles of the Remuneration Policy at the Bank on a daily basis, as well as supervises the relevance of these principles. In case of necessity, the Board proposes amendments to the Remuneration Policy, as well as amendments to other documents in relation to personnel and remuneration issues.

The Bank's Remuneration Policy complies with the Bank's operation strategy and values, the main goal of the policy is to determine the basic principles of remuneration for the Bank's employees, based on the Bank's development strategy and operation results, as well as in compliance with the Bank's operation specificity and with the Bank's risk profile. The remuneration system developed for the Bank is intended to motivate the Bank's personnel and to encourage career development of employees, as well as to provide appropriate evaluation of employees in relation to the achieved work results and to ensure the appropriate remuneration for the qualitative work results.

The existing remuneration system at the Bank in the year 2010 provided only the permanent part of remuneration (base wages, which is determined by specifying the particular monthly wage rate for each employee in accordance with the job position), and did not determine the variable part of remuneration depending on the work results. For its part, the remuneration for the Bank's employees was determined so high as to ensure long-term development of the Bank's business activities, to provide a possibility to attract highly experienced specialists, to keep the existing personnel and to stimulate their professional development, as well as to prevent incurrence of extra risks.

The conformity of remuneration for employees is evaluated every year.

In the year 2010, none of the Bank's employees has been paid the variable part of remuneration.

In the year 2010, none of the Board members and none of the employees who hold the positions that can influence the risk profile were dismissed, wherewith no dismissal wages were paid.

## The information summarized by the Bank and allocated by position groups in the year 2010 (thousand LVL):

Year 2010	The permanent part of remuneration	
	Сумма	Number
The Council and the Board	Amount	7
Other personnel	2 171	173