



RELESYS A/S
Registration no. (CVR-nr.) 36432772

Remuneration Policy

Remuneration Policy

1. Introduction

- 1.1. This Remuneration Policy (“the Policy”) for Relesys A/S (“The Company”) has been prepared in accordance with the Consolidated Act no. 763 of 23 July 2019 on Public and Private Limited Companies (Danish Companies Act) sections 139 and 139a and the Recommendations for Corporate Governance of 2 December 2020 published by the Danish Committee on Corporate Governance and implemented by Nasdaq Copenhagen A/S. The Company’s obligation to establish the Policy is based on the Company’s admission to trading on Nasdaq First North Growth Market, Premier Segment.
- 1.2 The Policy determines the framework for the remuneration of the members of the Board of Directors and Executive Board (as defined below):

2. Definitions

Company	Relesys A/S
Board of Directors	Refers to the Board of Directors of the Company registered with the Danish Business Authority.
Executive Board	Refers to the Executive Board of the Company registered with The Danish Business Authority.

3. The scope of the Policy

- 3.1 The Policy applies for the remuneration of the members of the Board of Directors and Executive Board receives for work performed for the Company.
- 3.2 The Policy governs agreements regarding remuneration as well as any subsequent changes here to which are adopted after approval of the Policy by the Company’s general meeting.

4. Principles for remuneration of the Board of Directors and the Executive Board

- 4.1 The overall objective of this Policy is to attract, motivate and retain competent members of the Board of Directors and the Executive Board. The objective is also to ensure that the Board of Directors, the Executive Board, and stakeholders have common interests in achieving the targets set by the Company.
- 4.2 The purpose of the remuneration is to support the Company’s business strategy by supporting the Board of Directors and Executive Board, both of which to a high degree contribute to developing, implementing, and executing the Company’s targets and visions as well as the internal business processes that support the Company’s daily operations and contribute to carrying out the business strategy. The components of the remuneration of the Board of Directors and the Executive Board are highly attached to long-term targets to contribute to the Company’s longterm interests and sustainability. In addition, an overall objective of the remuneration of the Board of Directors and the Executive Board is also to encourage added value to the Company for the benefit of the Company’s shareholders.

4.3 The specific remuneration package and incentive-programs for members of the Executive Board and other key employees shall meet the following principles:

- There must be limits determined for the variable components in proportion to the aggregated remunerations package.
- There must be clarity regarding the measurability of the allocation of variable components.

5. The Board of Directors

5.1 REMUNERATION

5.1.1 The Board of Directors receives a fixed annual base remuneration adopted by the Company's general meeting and is not included in incentive-programs nor entitled to variable remuneration. The remuneration must be reasonable compared to the scope of the board assignments, the responsibility of the board member in question and in accordance with normal market practices in other comparable listed companies with due considering to the members competences, efforts, and scope of work.

5.1.2 Members of the Board of Directors receive an annual fixed base remuneration of DKK 100,000. The Chairman of the Board of Directors receives an annual fixed base remuneration of DKK 240,000.

5.1.3 If a member of the Board of Directors takes on any specific ad hoc assignments outside the scope of the Board of Director's usual assignments according to the Board of Director's rules of procedure, the member in question can be offered additional fixed remuneration for work performed in relation to said assignments.

5.1.4 The remuneration of the Board of Directors is approved at the annual general meeting in connection with the approval of the Company's annual report for the relevant financial year.

5.2 EXPENSES

5.2.1 Expenses, such as travel cost and hotel costs in relation to board meetings as well as relevant education, can be refunded by the Company.

6. The Executive Board

6.1 The Board of Directors sets forward proposals regarding the remuneration of the Executive Board. The remuneration of the Executive Board is evaluated annually in proportion to other Danish listed companies.

6.2 The remuneration for the members of the Executive Board consists of a fixed salary and other usual benefits. In addition, members of the Executive Management are eligible for variable remuneration currently primarily granted in the form of an annual short-term cash bonus. The Company may assign extraordinary incentives to members of the Executive Management as specified in section 6.10, including as share-based remuneration in the form of warrants. The purpose of the remuneration structure is to ensure that the Company can attract and retain competent key employees and at the same time encourage the Executive Board to consider and promote the Company's long-term interests and sustainability and add value to the Company's shareholders.

6.3 The variable remuneration components are not available for members of the Executive Board, who are also major shareholders of the Company.

6.4 The remuneration for the Executive Board may consist of the following fixed and variable components for remuneration:

- A fixed salary including pension contribution, as specified in section 6.5,
- A variable remuneration as specified in section 6.6 (for non-major shareholders),
- A severance payment, as specified in section 6.7,
- Usual non-monetary salary components, as specified in section 6.8, and
- Extraordinary incentives, as specified in section 6.10.

6.5 FIXED SALARY

6.5.1 Every member of the Executive Board receives an annual fixed salary. The Company pays up to 7% of the fixed salary in pension contribution. Any additional payments shall be made on the own account of the members of the Executive Board.

6.5.2 The Executive Board's annual fixed salary is determined with a view to offer competitive remuneration to attract and retain qualified members of the Executive Board.

6.5.3 The Executive Board's annual fixed salary must be based on the individual member's responsibility, results and status within the Company.

6.6 VARIABLE REMUNERATION

6.6.1 The remuneration of those members of the Executive Management eligible for variable remuneration is determined in order to ensure alignment of interests between the Executive Management and the Company's shareholders, and to ensure that the Company's short and long-term goals are met. The variable remuneration may comprise all types of variable remuneration, including shares, share options, warrants and phantom shares, as well as non-share-based bonus agreements – both ongoing and as a one-off.

6.6.2 Variable remuneration will be offered to the Executive Management if the Board of Directors considers it expedient in order to encourage common goals for the Executive Management and the shareholders and to promote the Company's business strategy. In addition, achieved results and expectations for the future, motivation and retention may be taken into consideration. Members of Executive Management eligible for variable remuneration may receive variable remuneration per year of up to 30% of the fixed annual salary.

6.6.3 Claw-back provisions do not apply to variable remuneration components.

6.6.4 Variable remuneration in the form of warrants

6.6.4.1 For variable remuneration in the form of granting of warrants, please refer to the description of terms in section 6.11.3, which shall apply equally in case of any grants of warrants as variable remuneration.

6.6.4.2 Eligible members of Executive Management may receive variable remuneration in the form of granting of warrants for a value of up to 100% of the variable remuneration.

6.6.5 Variable remuneration in the form of short-term cash bonus

6.6.5.1 A cash bonus may be granted annually and is contingent on the achievement of set financial and non-financial targets for the Company and/or personal objectives of the relevant member of the Executive Management. The financial targets can be linked to annual recurring revenue, revenue, EBITDA margin, annual result, cash flow, or similar. The non-financial objectives can be linked to retention, customer satisfaction, employee satisfaction, compliance, strategic milestones or similar.

Upon expiration of a bonus period the Board of Directors will evaluate the achievement of the financial- and non-financial targets based on the Company's audited accounts and relevant internal measures. The amount of the bonus depends on the degree to which the set targets and/or objectives are achieved. Eligible members of Executive Management may receive a bonus per year of up to 100% of the variable remuneration.

6.7 SEVERANCE PAYMENT

- 6.7.1 The duration of contracts of employment with current members of the Executive Board is generally not limited and are subject to a term of notice for the Company of 24 months. However, for the CFO the term of notice for the Company is 8 months.
- 6.7.2 A Redundancy package may be offered to the members of the Executive Board. The aggregated value of remuneration for the individual member of the Executive Board regarding the period of notice including severance payment, cannot exceed the equivalent of 12 months fixed salary.

6.8 OTHER BENEFITS

- 6.8.1 The current members of the Executive Board are entitled non-monetary benefits such as or reimbursement of transport costs, free parking, insurance, news subscriptions, phone, internet etc. and to a company car, subject to the Board of Director's approval at all times.
- 6.8.2 The aggregated value of individual non-monetary benefits cannot exceed DKK 25% of the annual fixed salary unless the Board of Directors decides otherwise.
- 6.8.3 Expenses held by the Executive Board in relation to travel, conferences, education etc., is refunded.

6.9 SPECIFIC AGREEMENTS

- 6.9.1 Specific agreements regarding salary for members of the Executive Board or adjustments in existing agreements can only be entered into within the framework of this Policy. Agreements or adjustments herein, which do not fall within the scope of this Policy, must be approved by the Company's general meeting before the specific agreements and/or the adjustments are applicable.

6.10 EXTRAORDINARY INCENTIVES

- 6.10.1 The Board of Directors can in special cases assign a one-off discretionary remuneration or another extraordinary incentive-based remuneration, for example retention bonuses, sign-on bonuses or other programs in relation to employment, where it is deemed necessary in order to support the Company's strategy, including long-term and short-term targets, or to satisfy this Policy's overall objectives.
- 6.10.2 The value of these bonuses and programs must not exceed 50% of the annual fixed salary.
- 6.10.3.1 Granting of warrants will be free of charge and will entitle the holder of warrants to subscribe shares in the Company after a vesting period of 4 years from the grant date. Subscription of shares in the company by the exercise of warrants will be possible in the exercise window being 30 days following the publication of the Company's annual report, first time after the publication of the Company's first annual report after the end of the vesting period. Warrants must be exercised at the latest 60 months after the end of the vesting period and can only be exercised once.
- 6.10.3.2 Holders of warrants will be obliged to comply with applicable rules for trading in the Company's shares, Nasdaq First North Growth Market Rulebook and the Company's internal rules on the management's and the employees' trade in the company's securities.

- 6.10.3.3 The Company may at its sole discretion be entitled to make, in whole or in part, a cash settlement as an alternative to the delivering of shares in the Company to the holder of warrants. The cash settlement may be performed by payment to the holder of warrants of a cash amount equal to the difference between (a) the applicable exercise price and (b) the stock exchange price being the simple average of the closing price of the Company's shares on Nasdaq First North Growth Market Denmark for a period of 5 trading days running from the first day of the relevant exercise window.
- 6.10.3.4 The vesting period of the warrants may be accelerated in case of an "Exit" subject to certain conditions as determined in the agreement relating to the warrants.
- 6.10.3.5 In case a granted member of the Executive Board cease to be an employee of the Company or a group company, regardless of the reason of the termination, it may affect such member's or employee's right to exercise the warrants subject to certain conditions as determined in the agreement relating to the warrants.
- 6.10.3.6 In case of structural changes to the Company, certain conditions may apply in relation to the exercise price and the number of shares that can be subscribed for on the basis of exercise of the warrants.
- 6.10.3.7 Warrants may be cancelled under certain circumstances as determined in the agreement relating to the warrants.
- 6.10.3.8 The value of the warrants is calculated using the Black-Scholes model.

7. The duration of contracts

- 7.1 Members of The Board of Directors are elected annually at the Company's general meeting.
- 7.1.1 The duration of contracts of employment with members of the Executive Board are generally not limited and are subject to a term of notice for the Company of 24 months, and 12 months for the current individual members of the Executive Board.

8. Other employees' salary and terms of employment

- 8.1 The Board of Directors has, when preparing this Policy, taking into consideration the terms of the salary and employment of the Company's other employees than the Board of Directors and the Executive Board with a view to ensure appropriate adjustments considering the market standards for comparable listed companies as well as every Board of Director and Executive Board member's overall responsibility and obligations. As a result of this the Board of Directors may grant warrants to key employees, who are not part of the Executive Board.
- 8.2 The Board of Directors estimate that the terms of employment and salary level reflect market practices.

9. Conflicts of interest

- 9.1 To avoid conflict of interests, the Policy and remuneration for the Board of Directors, must be approved by the Company's general meeting, and the remuneration for the Executive Board must be approved by the Board of Directors.
- 9.2 As the Board of Director's remuneration consists of a fixed salary only, which is approved by the Company's general meeting, there are no risks of conflicts of interest in relation to the Board of Directors' preparation and assessment of the Policy.

10. Deviations

- 10.1 In special cases, the Board of Directors can temporarily deviate from the Policy where it is deemed necessary by the Board of Directors to protect the Company's long-term interest and/or protecting the Company's sustainability. Deviations can also consist of one-off bonuses, which exceeds the Policy's guidelines, changes to the components of the remuneration as well as changes to the duration and terms of resignation regarding agreements entered into between the Company and members of the Executive Board. This can for instance be relevant when employing new members of the Executive Board under special circumstances.
- 10.2 Any deviation must be approved by the Board of Directors considering the Company's business strategy and interest and must be explained on the next general meeting. In case of deviations which the Board of Directors deem should apply permanently, the Board of Directors may propose such change of the Policy at the next general meeting.
- 10.3 The remuneration report relating to the Policy must contain a description of any deviations and the background for this.

11. Preparation and audit of the Policy

- 11.1 The Board of Directors has in corporation with external advisers prepared the Company's Policy.
- 11.2 The Board of Directors reviews the Policy at least once a year with a view to ensure continuous alignment between the Board of Directors' and the Executive Board's interests, the Company's sustainability and long-term and short-term targets as well as the interest of the Company's shareholders.

12. Approval and publication of the Policy

- 12.1 This Policy is prepared in accordance with sections 139 and 139a of the Danish Companies Act and has been approved by the Board of Directors. The Policy is published on the Company's website with a declaration of the date of approval at the Company's general meeting.
- 12.2 The Policy is described in the Company's annual report, and in relation to the Board of Directors statement at the general meeting, the Chairman must comment on the principles of this Policy and compliance hereof.
- 12.3 The Policy is presented for approval on the Company's general meeting at least every four years and in case of any significant changes.

13. Remuneration report

- 13.1 In accordance with section 139b a of the Danish Companies Act, the Board of Directors prepares a remuneration report, which amongst other contains information regarding the aggregated remuneration for every member of the Executive Board on an individual basis and regarding the compliance of the Policy.