HAQQ Employment, Compensation and Equity Glossary

Version 1.0 · effective 19 August 2026

The controlling definitions for the employment, compensation and equity terms used across HAQQ Employment Agreements, Annexes, Performance Incentive Policies and the Equity Plan.

---

167 defined terms across 11 sections.

Status and Interpretation

This **HAQQ Employment, Compensation and Equity Glossary** (**Glossary**) applies only where an Employment Agreement, Annex, Performance Incentive Policy, Equity Plan, Award Agreement or other executed instrument expressly incorporates or refers to it. The Glossary does not independently create an employment relationship or grant any compensation, Award, benefit, promotion, title, continued employment or other entitlement.

The Glossary cannot amend an Executed document and applies prospectively from its Effective Date.

Subject to mandatory Applicable Labor Law, an express definition in the governing instrument prevails over this Glossary. For employment terms, the Employment Agreement and relevant Annex control; for Variable Compensation, the applicable Performance Incentive Policy controls; and for equity, the Equity Plan and Award Agreement control.

Unless the context requires otherwise, the singular includes the plural; **including** means including without limitation; headings do not limit interpretation; and a reference to a document includes its lawful amendment, restatement, replacement or supplement.

Core Employment Documents

Agreement

also: Employment Agreement

means the master employment agreement Executed between the Company and the Employee, together with each Annex forming part of it under its terms.

Employment Documents

means the Employment Agreement, each Executed Annex and each other instrument expressly incorporated into the contractual employment framework.

Company

ordinarily means the employing legal entity identified in the Employment Agreement. Under the HAQQ Global Equity Incentive Plan, **Company** means **HAQQ, Inc.** The governing instrument and context control.

Employee
means the individual identified as the employee in the Employment Agreement.

Group Entity
means the Company and each direct or indirect parent, subsidiary or affiliate of the Company from time to time. **Group** means those entities collectively. No Group Entity becomes the Employee's employer solely through use of the HAQQ name or participation in Group activities.

Annex
means an instrument Executed by the Company and the Employee under the Employment Agreement and forming part of that Agreement.

Annex Type
means an Annex category determined by its principal subject matter, including a Roles & Responsibilities Annex or Compensation Annex.

Roles & Responsibilities Annex
means the Annex stating the Employee's Position, Assigned Scope, Duties and Responsibilities, Reporting Line, expected outcomes and other Role particulars.

Compensation Annex
means the Annex stating the applicable Base Salary, Variable Compensation opportunity, equity eligibility or indicative equity amount, Perks and Benefits, Probation terms and related compensation particulars.

Replacement Annex
means a later Executed Annex that supersedes an earlier Annex of the same Annex Type from the later Annex's Effective Date, unless it expressly provides otherwise.

Evolution by Replacement
means the replacement of an Annex by a Replacement Annex without terminating or novating the Employment Agreement or interrupting continuity of service.

Executed
means validly signed or accepted by every party whose execution is required, including through an approved electronic-signature process. A draft, offer, message, presentation, oral statement or unsigned document is not Executed.

Effective Date
means the date from which the relevant instrument states that it takes effect.

Original Hire Date
means the recorded date on which the Employee's recognized continuous employment with the Company or a recognized predecessor or successor employer commenced.

Start Date
means the date on which the Employee is scheduled to commence work under the first applicable Annex, unless the Employment Documents provide otherwise.

Confirmed Annex
means an Annex for which the applicable Probation Period has ended without timely Non-Confirmation Notice or in respect of which the Company has issued earlier written Confirmation.

Company Policies

means applicable policies, procedures, rules, plans, handbooks, frameworks and similar instruments adopted or applied by the Company, as lawfully amended, replaced or withdrawn.

Performance Incentive Policy

means a Company Policy governing a form of Variable Compensation, including its eligibility, measures, Weightings, calculation, attribution, validation, earning, payment, Holdback, Reversal Event and recovery rules.

Applicable Labor Law

means the mandatory and otherwise applicable labor, employment, wage, working-time, social-security and related law governing the employment relationship.

Business Day

means a day other than a weekend or public holiday on which banks are generally open at the location relevant to the payment or notice.

Role and Career Terms

Role

means the Position together with its Assigned Scope, Duties and Responsibilities, organizational context, Reporting Line and Work Pattern.

Position

means the Employee’s job title stated in the applicable Annex. A Position does not independently determine authority, Job Level, compensation or plan eligibility.

Assigned Scope

means the products, workstreams, clients, territories, accounts, projects, systems, teams, functions or other subject matter allocated to the Employee within the Role.

Duties and Responsibilities

means the services, functions, conduct, accountabilities and outcomes required under the Employment Documents, Company Policies, lawful instructions and Applicable Labor Law.

Additional Duties

means duties or projects reasonably related to the Position, expertise, Assigned Scope or evolving business requirements. Additional Duties do not automatically constitute a new Position or Promotion.

Material Change of Duties

means a change substantially altering the essential nature, principal functions, organizational scope or level of accountability of the Role.

Promotion

means a formally approved movement to a Position or Job Level carrying materially greater scope, accountability, complexity or expected impact and recorded in an Executed Replacement Annex.

Job Level

means the Company’s internal classification of organizational scope, accountability, complexity, seniority and expected impact.

Function
means the principal professional or organizational discipline in which the Employee works.

Department
means the organizational unit or team to which the Employee is assigned.

Reporting Line
means the manager or organizational leader to whom the Employee reports. A change in Reporting Line does not by itself alter compensation, Job Level or continuity of service.

Work Pattern
means the working days, hours, schedule and location arrangements applicable to the Role, subject to Applicable Labor Law and lawful operational requirements.

Compensation Location
means the approved geographic location used for compensation, market-benchmarking and benefits purposes. It does not authorize work from a different country.

Country of Habitual Work
means the country in or from which the Employee ordinarily performs the employment.

Time-Reported Role
means a Role expressly designated as requiring work time to be recorded for compensation purposes.

Performance Standard
means the quality, timeliness, conduct, judgment, collaboration and results reasonably expected for the Role and Job Level.

KPI
means a quantitative or qualitative key performance indicator. A KPI affects Variable Compensation only if the applicable Performance Incentive Policy assigns it a Weighting or payout treatment.

Strategic Milestone
means an expressly approved material outcome for which direct financial impact cannot yet be reliably measured. Completion of ordinary activity does not by itself constitute a Strategic Milestone.

Compensation Qualifiers

The qualifier attached to an amount controls the legal meaning of that amount.

Guaranteed
Contractually payable if its express conditions are satisfied, subject to lawful deductions, Pro-Rating and the governing Employment Documents.

Target
The reference result or payout corresponding to Target Performance; neither Guaranteed nor necessarily the Maximum.

Up to
The maximum opportunity under the relevant arrangement; no amount is Guaranteed solely because it is within that maximum.

Indicative
A planning, sizing, estimation or presentation figure creating no payment, valuation, Award or other entitlement.

Eligible
Satisfaction or potential satisfaction of threshold participation criteria; not approval, grant, earning or payment.

Fixed Compensation and Package Value

Compensation
means remuneration or economic benefits provided or potentially available under the governing Employment Documents. Each component retains its separate legal character.

Base Salary
means the fixed cash compensation expressly identified as Base Salary in the applicable Annex, excluding Variable Compensation, Awards, Perks and Benefits and Expense Reimbursement.

Annual Base Salary
means Base Salary expressed as a rate for a full twelve-month period, subject to applicable accrual and Pro-Rating rules.

Monthly Base Salary
means Base Salary expressed for one month and subject to the applicable accrual, payment and Pro-Rating rules.

Hourly Rate
also: Base Pay

means the fixed compensation rate applicable to qualifying and, where required, accurately reported and approved hours in a Time-Reported Role.

Gross Base Salary
means Base Salary before employee-side taxes, social-security contributions, withholding and other lawful deductions.

Net Pay
also: Take-Home Pay

means the amount disbursed after applicable deductions, withholding, conversion costs and payroll adjustments. It is not Guaranteed unless an Executed Annex expressly provides a net-pay guarantee.

Pro-Rating
means adjustment of compensation for a partial employment period, delayed Start Date, termination, reduced schedule, unpaid leave, absence or another period during which full compensation does not accrue.

Expense Reimbursement
means repayment of an approved, qualifying and documented business expense under the applicable Company Policy. It is not Base Salary or Variable Compensation.

Overpayment

means an amount paid in error, in excess of entitlement, before satisfaction of an earning condition or in respect of a result later affected by a Reversal Event.

Total Employer Cost

means the Company’s total economic cost associated with employment, including Compensation and potentially employer taxes, insurance, equipment, systems and administrative costs. It is not compensation payable to the Employee.

Annual Total Package Value

means the annualized presentation value of the components expressly included in a Compensation Annex or package summary. It may include fixed cash, maximum or target Variable Compensation, indicative equity and non-cash benefit values, and does not alter the legal character or conditions of any component. Where a Package Value includes Variable Compensation stated as **up to**, the Annual Total Package Value uses that maximum opportunity unless the Compensation Annex expressly states another basis.

Guaranteed Annual Cash Compensation

means the annualized Base Salary contractually applicable to the Role, subject to Probation terms, Pro-Rating, unpaid periods and lawful deductions.

Target Total Cash Compensation

means Annual Base Salary plus Target Incentive for the relevant annual period.

Maximum Annual Cash Opportunity

means Annual Base Salary plus the Maximum Incentive available for the corresponding annual period.

Actual Annual Cash Compensation

means the gross cash compensation actually Earned for the relevant annual period, before lawful deductions, unless an Executed Annex expressly states otherwise.

Unless an Executed Compensation Annex expressly provides otherwise, **Base Salary** is fixed cash; **Performance Incentive (up to)** is a maximum opportunity; a currency amount beside **Equity Plan**, **Equity** or similar wording is an Indicative Equity Reference Amount unless a definitive Award is expressly identified; an **Insurance**, **Medical** or similar amount is a non-cash annual reference value; and Annual Total Package Value does not alter the legal character, conditions or payment status of its components.

Probation

Initial Probation

means the Probation Period applicable to the Employee’s first Role with the Company. It does not restart merely because an Annex is replaced or continuity of service is otherwise preserved.

Role Probation

means a contractual confirmation period expressly applicable to a Promotion, new Position, changed Job Level or Material Change of Duties. It does not restart seniority, continuity of service or a statutory trial period.

Probation Period

means the applicable Initial Probation or Role Probation for the duration stated in the governing Employment Documents, subject to Applicable Labor Law.

Probation Discount

means the percentage or amount expressly stated in an Annex by which Base Salary is reduced during the applicable Probation Period.

Probationary Base Salary

means Base Salary after application of the Probation Discount.

Confirmation

means completion of the applicable Probation Period without timely Non-Confirmation Notice or the Company’s earlier written confirmation of the Employee in the relevant Role. **Confirmed** has the corresponding meaning.

Non-Confirmation Notice

means written notice issued by the Company within the period permitted by the Employment Documents and Applicable Labor Law stating that the Employee is not Confirmed in the relevant Role.

Annualized package values do not override Probation terms. Any compensation element suspended during Probation applies prospectively upon Confirmation and does not accrue retroactively unless an Executed Annex expressly provides otherwise.

Variable Compensation

Variable Compensation

means compensation dependent on performance, commercial results, validated outcomes, milestones or another defined condition.

Performance Incentive

means formula-based or scorecard-based Variable Compensation linked to approved Company, Function, team, individual, economic, strategic or operational performance.

Performance Incentive Opportunity

means the potential Variable Compensation available under a Performance Incentive Policy.

Target Incentive

means the amount or percentage corresponding to exactly Target Performance.

Maximum Incentive

means the highest incentive payout permitted for the relevant Performance Period after application of any Cap.

Cap

means the maximum payout permitted under the governing Performance Incentive Policy.

Performance Cycle

also: Performance Period

means the period over which performance is measured, assessed or administered for incentive purposes.

Performance Scorecard
means the approved set of Performance Measures, Weightings, performance levels and payout rules applicable to a Performance Period.

Performance Measure
means an approved financial, commercial, customer, technical, strategic, operational, team or individual outcome used in a Performance Scorecard.

Weighting
means the percentage or relative contribution assigned to a Performance Measure.

Threshold Performance
means the minimum result at which payout begins, changes or becomes available.

Target Performance
means the result corresponding to the Target Incentive.

Maximum Performance
means the result corresponding to the Maximum Incentive.

Incentive Payout Factor
means the multiplier derived from validated performance and applied to the relevant incentive basis.

Incentive Calculated
means the applicable formula has produced a provisional amount that is not necessarily Earned, Payable or Paid.

Incentive Earned
means every earning condition under the applicable Performance Incentive Policy has been satisfied.

Incentive Payable
means an Earned incentive has reached the date on which payment is due.

Incentive Paid
means the Company has completed disbursement through an authorized payment channel.

Payment Condition
means a condition affecting whether or when Variable Compensation is Earned or Payable, including validation, approval, customer payment, continuing transaction validity, compliance or absence of a Reversal Event.

Validation Period
means a prescribed period during which the Company verifies the validity, eligibility, attribution and economic substance of a result.

Holdback
means a portion of calculated Variable Compensation retained pending satisfaction of a Payment Condition.

Reversal Event
means an event requiring cancellation, reversal or adjustment of eligibility, attribution, calculation or payment, including cancellation, refund, non-payment, fraud, duplication, ineligibility, error or invalid attribution.

Clawback
means recovery of Variable Compensation already paid following a Reversal Event or another circumstance prescribed by the governing instrument.

Chargeback
means a deduction from a future incentive amount to reverse, recover or correct a prior calculation or payment, subject to Applicable Labor Law.

True-Up
means a later recalculation using final, corrected or more reliable information.

Discretionary Bonus
means a payment whose grant, amount or both remain within the Company’s discretion until formally approved.

Spot Bonus
means a discretionary one-time payment approved in recognition of an exceptional contribution or result.

Sign-On Bonus
means a one-time payment associated with commencement of employment and subject to any conditions stated in the governing instrument.

Retention Bonus
means a payment conditional on continued employment through a stated date, event or period and satisfaction of any other governing conditions.

AIP
means the annual incentive plan applicable to designated participants.

STI
means short-term Variable Compensation measured over a period of approximately one year or less.

LTI
means compensation intended to reward multi-year value creation, which may include an Award under the Equity Plan.

Variable Compensation is separate from Base Salary and is Earned only under the applicable Performance Incentive Policy. Payment for one period creates no entitlement for another period, and no duplicate payment is due for the same economic event unless the governing policy expressly authorizes it.

Sales and Commercial Terms

Sales Incentive Compensation
means Variable Compensation applicable to Roles with express commercial accountability.

OTE
means on-target earnings comprising Annual Base Salary plus Target Sales Incentive at exactly one hundred percent Quota Attainment. OTE is not Guaranteed compensation.

Target Sales Incentive
means the Sales Incentive Compensation corresponding to exactly one hundred percent Quota Attainment, subject to all earning and validation conditions.

Quota
means the approved commercial performance target assigned for a specified Performance Period.

Quota Attainment
means validated Sales Credit divided by Quota, expressed as a percentage under the governing plan.

Commission
means Sales Incentive Compensation calculated against a Commissionable Base at an approved Commission Rate or under another expressly stated commission formula.

Commission Rate
means the percentage, unit rate or graduated rate applied to the Commissionable Base.

Commissionable Base
means the approved economic measure against which Commission is calculated. It does not necessarily constitute accounting revenue.

Sales Credit
means commercial performance attributed to a person or team for Quota and incentive purposes.

Sales Crediting Event
means the event at which Sales Credit is created under the governing plan, including an approved booking, contract execution, activation, billing, collection or delivery milestone.

Accelerator
means a higher Commission Rate or Incentive Payout Factor applicable after a stated Threshold is exceeded.

Marginal Accelerator
means an Accelerator applying only to qualifying performance above the relevant Threshold.

Retroactive Accelerator
means an Accelerator that recalculates earlier qualifying performance in the same Performance Period and applies only where expressly authorized.

Decelerator
means a lower Commission Rate or Incentive Payout Factor applicable within a stated performance range.

Threshold
means a performance point at which payout begins, ends or changes.

Cliff
means a Threshold producing a discontinuous change in the amount Earned or applicable rate.

Uncapped Sales Incentive
means Sales Incentive Compensation without a fixed payout ceiling while qualifying incremental value continues to be generated, subject to all eligibility, attribution, validation and recovery rules.

ACV
means annual contract value calculated under the applicable commercial and compensation methodology.

TCV
means total contract value calculated over the qualifying committed contract term under the applicable methodology.

Eligible ACV
means ACV remaining after application of the governing eligibility, exclusion, attribution, discount and validation rules.

Eligible TCV
means TCV remaining after application of the governing eligibility, exclusion, attribution, discount and validation rules.

Bookings
means qualifying contractual commercial value associated with Executed business under the applicable booking policy. Bookings are not necessarily recognized revenue or Collected Cash.

Collected Cash
means funds received and finally settled through an approved payment channel and not subject to reversal, refund or chargeback.

ARR
means recurring revenue expressed on an annualized basis under the applicable financial and compensation methodology.

MRR
means recurring revenue expressed on a monthly basis under the applicable financial and compensation methodology.

Net New ARR
means incremental eligible annual recurring value from new business or qualifying expansion after applicable exclusions and validation.

Net New MRR
means incremental eligible monthly recurring value from new business or qualifying expansion after applicable exclusions and validation.

Gross Profit
means qualifying revenue or commercial value less costs classified as cost of revenue under the applicable financial policy.

Contribution Margin
means qualifying commercial value less directly attributable costs under the applicable financial policy.

Realized Economic Value
means economic value actually realized by the Company after applicable exclusions, reversals and qualifying costs.

Attribution Rule
means the approved rule determining how a result is assigned for incentive purposes.

Attribution Window
means the period during which a result may be attributed to an earlier qualifying action.

Baseline
means the approved expected result absent the qualifying intervention.

Incremental Impact
means validated performance above the Baseline reasonably attributable to the qualifying intervention.

Split Credit
means division of available credit among qualifying contributors under the governing plan.

Double Credit
means deliberate allocation of full credit to more than one contributor for the same economic event and applies only where expressly authorized.

Aggregate Incentive Load
means the total Variable Compensation attributed across all persons, teams or Functions to the same economic value pool or event.

Equity Terms

Equity Plan
means the HAQQ Global Equity Incentive Plan adopted by the Board on 23 June 2026, as amended, restated or replaced in accordance with its terms.

Administrator
means the Board or a committee or officer to whom the Board validly delegates authority to administer the Equity Plan, in each case to the extent permitted by applicable law.

Award
means an Option granted under the Equity Plan.

Award Agreement
means a written or electronic agreement, Grant Notice or other instrument evidencing an Award granted under the Equity Plan.

Option
means a right to purchase shares of common stock of HAQQ, Inc. granted under the Equity Plan.

Grant Notice
means the written or electronic notice evidencing the grant of an Award.

Grant Date
means the date on which an Award is formally granted under the Equity Plan.

Exercise Price
means the price payable per share to exercise an Option, as stated in the Award Agreement.

Fair Market Value
means the value of a share determined in good faith by the Administrator in accordance with the Equity Plan and applicable law.

ISO
means an Option expressly intended to qualify as an incentive stock option under Section 422 of the United States Internal Revenue Code.

NSO
means an Option that is not intended to qualify as, or does not qualify as, an ISO.

Vesting
means the process through which an Award becomes vested over time or upon satisfaction of applicable conditions.

Vesting Schedule
means the schedule and conditions governing Vesting under the applicable Award Agreement.

Vesting Cliff
means an initial period during which no portion of an Award vests.

Participant
means a person who holds an outstanding Award under the Equity Plan.

Equity Eligibility
means eligibility to be considered for an Award. It confers no right to approval or grant.

Indicative Equity Reference Amount
means a currency-denominated planning or package-presentation figure that may inform proposed Award sizing. It is not cash, a valuation, a number of shares, a grant, liquidity or a guaranteed return.

Fully Diluted Ownership
means an ownership percentage calculated using the applicable fully diluted capitalization methodology, denominator, assumptions, calculation date and dilution treatment.

Liquidity Event
means a transaction or event that may permit realization of value from an Award or underlying shares under the Equity Plan or applicable transaction documents. No Liquidity Event is promised.

Change in Control
means a transaction or event satisfying the definition of Change in Control in the Equity Plan.

Capitalized equity terms not defined in this Glossary bear the meanings given in the Equity Plan or applicable Award Agreement.

An Award exists only when formally granted under the Equity Plan and evidenced by the applicable Award Agreement.

Vesting, exercisability, post-termination exercise and forfeiture are governed exclusively by the Equity Plan and Award Agreement. Awards are not Base Salary, and the Company does not guarantee their tax treatment, Fair Market Value, liquidity or return.

Perks and Benefits

Perks and Benefits

means compensation-related elements other than Base Salary and Variable Compensation, including insurance, allowances, per diems, education support, professional-development support, workplace support, enhanced leave and Equity Eligibility, in each case as provided under the governing Employment Documents or Company Policies. Expense Reimbursement is not a Perk or Benefit.

Medical Coverage

means employer-arranged health coverage subject to the applicable policy's eligibility rules, terms, exclusions and claims determinations. The Company does not act as insurer or guarantee any claim outcome.

Employer-Paid Medical Value

also: Insurance Value

means the annual premium cost or reference value attributed to Medical Coverage or another insurance benefit for package-presentation purposes. It is not cash compensation.

Education Allowance

means a fixed or maximum education benefit subject to the applicable eligibility, approval, documentation and usage conditions.

Tuition Reimbursement

means repayment of approved and documented qualifying education expenses after satisfaction of the governing conditions.

Professional Development Allowance

means an amount available for approved courses, certifications, conferences or training under the applicable policy.

Per Diem

means a fixed daily allowance for qualifying business travel under the applicable Company Policy.

Travel Reimbursement

means repayment of approved and documented qualifying business-travel expenses.

Technology and Workplace Support

means Company-provided or funded equipment, connectivity, software, systems and other work tools. Company assets remain Company property unless expressly transferred in writing.

Annual Leave

means paid annual leave under the Employment Documents, Company Policies and Applicable Labor Law.

Family Leave

means qualifying maternity, paternity, parental, adoption, caregiving or other family-related leave under Applicable Labor Law or an applicable enhanced Company Policy.

Enhanced Benefit

means a benefit exceeding the mandatory minimum under Applicable Labor Law and applying only as stated in the relevant Annex or Company Policy.

A Perk or Benefit cannot be exchanged for cash unless an Executed Annex expressly provides otherwise.

Concluding Interpretation

Past payments, practices, offers, messages, presentations or illustrations create no precedent, implied term or entitlement. Only Executed documents bind the Company and the Employee. Prior versions of this Glossary remain relevant solely to periods, instruments or entitlements for which they applied.