

# FlexUp General Remuneration Framework

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## 1. Purpose of this framework

- The present general remuneration framework describes:
  - A **standardise value breakdown** for any type of product or service,
  - A number of **remuneration options** for parties providing these products or services.
- It can be used by any business or project that refers to it.
- It applies uniformly to:
  - internal team members,
  - long-term contractors,
  - consultants,
  - business development & sales profiles,
  - external ambassadors and agents.
- The objective is to enhance FlexUp's core pillars while maintain a system that is:
  - **simple** – few clear rules,
  - **transparent** – everyone understands how remuneration works,
  - **fair** – reward reflects contribution and risk,
  - **non-discriminatory** – same principles for internal and external contributors,
  - **flexible** – adaptable to many real-life collaboration scenarios.
- This framework is explanatory in nature and does not replace contractual terms. It describes general principles and default parameters.
- It allows for customisation: for each contract and order, parties are free to deviate from these, and agree on custom parameters.

## 2. Legal Nature of This Framework

This document constitutes a general reference framework describing remuneration principles, value allocation mechanisms, and default parameters commonly used within the FlexUp ecosystem.

This framework is explanatory and indicative by default. It becomes binding only to the extent that it is expressly adopted, referenced, or incorporated into a specific agreement, order, or platform selection between FlexUp and a contributor or third party, and solely for the purposes of defining remuneration mechanics.

The application of this framework, in whole or in part, does not affect the legal qualification of the relationship between the parties, which remains governed exclusively by the applicable contractual arrangements and by law.

### 3. Standard value breakdown

This remuneration framework is built on a **standard breakdown** of the **value** of the services provided to clients, and of the related revenues:

| Activity     | % of value  | What it represents  |
|--------------|-------------|---|
| Referral     | 5%          | Introduction / initial contact                                      |
| Sales        | 10%         | Closing the deal (meetings, calls, negotiation, contract signature) |
| Invoicing    | 5%          | Administrative work and third-party risk                            |
| IP / Brand   | 10%         | FlexUp's IP, tools, platform, methods, brand                        |
| Execution    | 70%         | Actually delivering the work  |
| <b>Total</b> | <b>100%</b> |   |

- This breakdown is designed to apply regardless of who performs the activity. What changes between roles is **how these value components are redistributed**.
- The **standard value** of referral for **funding contracts** (grants, equity, debt, etc.) depends on the type of funding:

| Funding type                       | % of value |
|------------------------------------|------------|
| Grants                             | 5%         |
| Redeemable FlexUp equity           | 3%         |
| Non-redeemable FlexUp equity       | 2%         |
| Other funding (equity, debt, etc.) | 1%         |

### 4. Key concepts and terminology

#### Seniority and Reference Rate

- The **seniority level** reflects the experience, skills, and responsibilities of a contributor. Each level has an associated **reference rate**, which represents the target hourly rate for client-facing work for a given seniority.
- The seniority level, and the corresponding reference rate, are the basis for calculating the **retainer** portion of remuneration, if applicable. It does **not** apply to purely success-based schemes (Ambassador, Agent).

#### Retainer

The **Retainer** is a time-based remuneration awarded for **actual time spent working for FlexUp**,

Key characteristics:

- based on **time worked**, as documented in timesheets,
- irrespective of value creation or client revenues,
- determined by **seniority level**, and calculated as a **percentage of the Reference Rate**,

- provides predictable, stable income for the contributor (subject to time worked),
- is a low-risk component of remuneration for the contributor.

### Billable bonus

The **Billable bonus** rewards contributors for actual revenues invoiced to FlexUp's clients for their work.

Key characteristics:

- based on actual invoiced revenues,
- calculated as a percentage of those revenues,
- incentivises contributors to deliver high-quality, billable work,
- aligns contributor interests with FlexUp's financial performance,
- higher risk/reward for the contributor compared to the retainer,
- lower risk/cost for FlexUp compared to the retainer,
- typically associated with a lower or no retainer.

### Success fees: Referral & Sales

Both the **referral** and **sales** fees, collectively referred to as the **success fees**, reward contributors for **generating new business** for FlexUp.

- **Referral** fees reward the act of **introducing potential clients** and engaging them initially until a first call or meeting is set up.
- **Sales** fees reward the whole sales process, from initial engagement to **closing the deal** and signing the contract, including meetings, calls, presentation, negotiations, and final agreement.

Key characteristics:

- based on **actual revenues received** from clients over a defined period (3 years for each client, starting on contract signature or execution start date),
- calculated as a **percentage of those revenues** actually paid by the client,
- incentivises contributors to actively seek and close new business opportunities, and also to ensure that those clients remain engaged and generate revenues over time,
- highest risk/reward for the contributor,
- lowest risk/cost for FlexUp,
- typically associated with lower or no retainer.

## 5. The six standard remuneration options

### Option 1 – Staff

Typical for roles that are mostly internal, building and supporting the business, rather than client-facing:

- Retainer: **33.33% of the Reference Rate** for the contributor's seniority level,
- The retainer is their main remuneration component,
- Their focus is on internal development, support, and business-building activities,

- They would only occasionally perform billable work for clients or participate in business development,
- To encourage advisory support and business development, they can also be granted discretionary success bonuses (see Section 5), but at a lower level than other options.

### Option 2 – Advisor

Typical for advisory and consulting roles:

- Retainer: **25% of the Reference Rate** for the contributor's seniority level,
- Billable bonus: **25% of actual revenues** paid by the client for the contributor's work,
- This means that if the billable rate is equal to the reference rate, for each hour worked the contributor earns 50% of the revenues invoiced to the client (25% retainer + 25% billable bonus),
- The retainer is still a major remuneration component, but the billable bonus can more than double their income if they achieve high utilisation and billable rates,
- To encourage business development, they can also be granted discretionary success bonuses (see Section 5), but at a lower level than other options.

### Option 3 – Sales

Mainly focused on business development and sales activities, but can also include advisory support:

- Retainer: **16.67% of the Reference Rate** for the contributor's seniority level,
- Billable bonus: **25% of actual revenues** paid by the client when the contributor also performs delivery or advisory support,
- Success fees (referral + sales) are 50% of the standard rates:
  - referral: **2.5%** for commercial contracts, 0.5~1.5% for funding contracts (see Section 2),
  - sales: **5%**, only applies to commercial contracts.

### Option 4 – Partner

Used for partners that have their own activities and clients, and may occasionally be called upon to deliver work for FlexUp clients:

- No retainer,
- **70% of the actual billable rate** for work performed,
- Success fees (referral + sales): full standard rates, if applicable.

### Option 5 – Ambassador

Pure value-origination role:

- No retainer,
- Success-based remuneration on **referral only**, at the full standard rates (see Section 2),
- Focus on introductions, not execution (no sales fee).

### Option 6 – Agent

Fully variable, performance-driven scheme:

- No retainer,

- Success-based remuneration on both **referral and sales**, at the full standard rates (see Section 2).

## **6. Incentives beyond the primary role**

FlexUp encourages everyone — regardless of their main option — to:

- introduce clients,
- help close deals,
- provide advisory support.

When the selected remuneration option does **not** include contractual billable bonuses or success fees:

- FlexUp may grant **discretionary bonuses** to reward such contributions, at a reduced rate,
- These bonuses are:
  - non-contractual,
  - discretionary,
  - adjustable or revocable at any time as company policy;
- Billable bonuses may be up to 10% of the actual billable revenues,
- Success fees may be up to 25% of the standard rates,
- This level is designed to:
  - encourage initiative,
  - avoid distorting core responsibilities,
  - remain aligned with the overall value breakdown.

## **7. How success fees are calculated**

To ensure consistency, transparency, and fairness, FlexUp applies the **same attribution and calculation principles** as those defined in the FlexUp Referral General Conditions (Referral-GC). Success fees are never split as absolute amounts; they are always calculated by applying **individual fee rates** to **allocated adjustment factors**.

### **A. Scope and duration**

- Success fees apply to **all revenues actually received** by FlexUp from:
  - clients **introduced** by a contributor (referral fees), and/or
  - clients **closed or signed** by a contributor (sales fees).
- Success fees apply for a period of **three (3) years** per client, starting from:
  - the date of signature of the client contract, or
  - the effective execution start date, whichever occurs first.
- Success fees are calculated exclusively on **revenues actually paid** by the client, in accordance with the applicable success-fee base (commercial revenues or funding amounts).

## B. Joint referral / joint sales

- A **joint referral** or **joint sale** exists where two or more contributors have **concurrently and materially contributed** to the introduction and/or conversion of the same client.
- In such cases:
  - FlexUp allocates **adjustment factors** among the contributing parties, reflecting their respective contributions,
  - the **sum of all adjustment factors equals 100%**,
  - each contributor's success fee is calculated as: **(their own applicable success fee rate) × (their allocated adjustment factor) × (the relevant revenue base)**,
  - contributors may have **different applicable success fee rates**, depending on their remuneration option or role;
- The allocation of adjustment factors is determined by FlexUp **acting reasonably and in good faith**, based on the nature, timing, and materiality of each contribution.

## C. Chain referral principle

- A **referral chain** exists where contributors are involved **sequentially**, such that one contributor introduces another contributor, who then introduces or converts the client.
- In a referral chain:
  - the **direct contributor** (i.e. the contributor in direct contact with the client) receives an **adjustment factor of 100%**,
  - each preceding contributor in the chain receives a **reduced adjustment factor**, decreasing progressively (typically by halving at each level: 50%, 25%, 12.5%, etc.),
  - each contributor applies **their own applicable success-fee rate** to their respective adjustment factor and to the relevant revenue base;
- A contributor may not receive both a joint referral allocation and a chain referral allocation for the same client,
- This mechanism incentivises:
  - collaboration between contributors,
  - network building,
  - leverage and delegation,
  - scalable and aligned growth.

## 8. Conversion bonus for subscription-based services

- In addition to success fees, FlexUp may grant a **Conversion Bonus** for subscription-based services, designed to reward high-quality referrals and sales that result in **sustained, paying subscriptions**.
- The Conversion Bonus applies **exclusively to SaaS subscription revenues** and does **not** apply to any other type of revenue (professional services, add-ons, funding, licensing, or other income streams).
- Conversion Bonuses are granted at FlexUp's discretion and do not constitute an acquired right, even where the conditions described above are met.

- Conversion Bonuses are independent from success fees and do not reduce, replace, or offset referral or sales success fees, unless expressly agreed otherwise in a specific contract.

### 8.1 Referral conversion bonus

- Where a contributor has referred a user who subscribes to a FlexUp SaaS plan:
  - a Conversion Bonus equivalent to two (2) months of the applicable SaaS subscription fee may be granted to the referring contributor;
  - this bonus becomes payable only after four (4) consecutive months of paid subscription, following the end of any free trial period;
  - as FlexUp generally offers a three (3) month free trial, this means the Conversion Bonus is typically payable after seven (7) months from initial signup, provided the subscription remains active and paid throughout.
- This Conversion Bonus applies **uniformly across all remuneration options**, irrespective of role, subject to the conditions above.

### 8.2 Sales conversion bonus

- Where a contributor has actively carried out the sales process leading to a subscription:
  - an additional Conversion Bonus equivalent to four (4) months of the applicable SaaS subscription fee may be granted to the contributor responsible for the sale;
  - this bonus becomes payable only after eight (8) consecutive months of paid subscription, following the end of any free trial period.
- Where the same contributor has performed both the referral and the sale, the Conversion Bonuses are cumulative.

### 8.3 Economic rationale and limits

- As a result:
  - a contributor performing **both referral and sales** may receive Conversion Bonuses equivalent to **up to six (6) months of SaaS subscription fees**;
  - this represents **up to 75% of SaaS subscription revenues over the first eight (8) paid months**.
- This approach reflects FlexUp's strategic choice to prioritise:
  - high-quality client acquisition,
  - strong onboarding and retention,
  - long-term customer value rather than short-term revenue extraction.
- Conversion Bonuses are **one-off, non-recurring**, and strictly limited to the subscription period described above.

## Appendix A – Summary table of standard remuneration options

This table is provided for illustration purposes only. Actual remuneration depends on the applicable contract, selected remuneration option, adjustment factors, and conversion conditions.

Yellow cells indicate primary remuneration drivers for each option.

| ↓ Activity   | Options →        | 1<br>Staff    | 2<br>Advisor | 3<br>Sales    | 4<br>Partner | 5<br>Ambassador | 6<br>Agent |
|--|------------------|---------------|--------------|---------------|--------------|-----------------|------------|
| <u>Remuneration</u>  |                  |               |              |               |              |                 |            |
| Referral   | % revenues       | 1.25%         | 1.25%        | <b>2.5%</b>   | 5%           | <b>5%</b>       | <b>5%</b>  |
| Sales  | % revenues       | 2.5%          | 2.5%         | <b>5%</b>     | 10%          | -               | <b>10%</b> |
| Invoicing  | % revenues       | -             | -            | -             | 5%           | -               | -          |
| IP / Brand   | % revenues       | -             | -            | -             | -            | -               | -          |
| Retainer   | % reference rate | <b>33.33%</b> | <b>25%</b>   | <b>16.67%</b> | -            | -               | -          |
| Billable bonus   | % revenues       | 10%           | <b>25%</b>   | 25%           | <b>70%</b>   | -               | -          |
| Values in bold (yellow cells) are the main remuneration sources.                   |                  |               |              |               |              |                 |            |
| <u>Conversion bonus</u>  |                  |               |              |               |              |                 |            |
| Referral (after 4 months)  | month of SAAS    | 2             | 2            | 2             | 2            | 2               | 2          |
| Sales (after 8 months)   | month of SAAS    | 4             | 4            | 4             | 4            | 4               | 4          |
| Conversion bonus for referral/sales is paid after 4/8 months of paid subscription. |                  |               |              |               |              |                 |            |