



COMPENSATION POLICY OF PADTEC HOLDING S.A.

1. OBJECTIVE, APPLICATION AND FOUNDATION

This Compensation Policy ("Policy") describes the rules and criteria that guide decisions related to the compensation of the Management, members of the Fiscal Council, when installed, and members of the advisory committees to the Board of Directors of Padtec Holding S.A. ("Company") and its subsidiaries, in particular its wholly-owned subsidiary Padtec SA ("Padtec").

For the purposes of this Policy, Management is considered (i) all statutory members of the Executive Board who are elected by the Board of Directors, or the General Shareholders' Meeting, as the case may be, and (ii) the members of the Board of Directors.

Management's overall annual compensation shall be duly analyzed and established by the Company's shareholders at a General Shareholders' Meeting, pursuant to article 152 of Law 6.404/76 ("Brazilian Corporation Law"). Then the Board of Directors, after the analysis from the Compensation Committee, if existing, shall determine the fixed and variable remuneration, where applicable, of its own members, as well as of the Executive Board and other advisory committees.

The compensation of the members of the Fiscal Council, when installed, will be fixed by the General Shareholders' Meeting that elects them, respecting the limitations provided for in the applicable legislation.

2. EXECUTIVE BOARD

Officers' compensation follows the following rules:

- i. The Officers will be elected for a term of 1 (one) year, as defined in the Bylaws, and may be reelected;
- ii. The Officers' compensation will consist of 3 (three) components:
 - o Fixed compensation. It must be paid monthly in 12 (twelve) installments each year, taking into account the existence of market standards for professionals with similar experience and also that remuneration practiced by companies in the same sector in which the Company operates.
 - o Variable compensation. Portion that will depend on the achievement of corporate and individual goals achievable during the fiscal year, to be previously approved by the Board of Directors and measurable. The portion of the individual variable compensation may reach the maximum amount of 50% (fifty percent) of the annual fixed individual compensation.
 - o Shares-based compensation. The Company may approve, at the General Shareholders' Meeting, share-based compensation plans, recommended by the Board of Directors, the body that will be responsible for the management of said plans. The Board of Directors may create programs for granting options or shares, in which it will deliberate, respecting the terms and guidelines of the share-based compensation plan, on the beneficiaries of the program, the number of shares covered, the division of the grant into lots, any restrictions on the effective receipt of options or actions and provisions on penalties.
- iii. The monitoring of corporate goals and individual goals of the CEO will be carried out by the Board of Directors, with the support of the Compensation Committee;

- iv. The monitoring of the individual goals of the other Officers will be carried out by the CEO, with the support of the Compensation Committee;
- v. The payment of the variable compensation must be made quarterly in the 2nd month following the end of each quarter, after approval of the measurement of results by the Compensation Committee;
- vi. Once each option or stock granting program has been defined, the Board of Directors will set the terms and conditions for each grant agreement, to be individually signed between the Company and each beneficiary; and
- vii. The Officer who acts on the executive board of any of the Company's subsidiaries will not receive any compensation in addition to that received for acting on the Executive Board of the Company.

3. BOARD OF DIRECTORS

The compensation of the members of the Board of Directors follows the following rules:

- i. The Directors will be elected at the General Shareholders' Meeting for a unified term of 1 (one) year, as defined in the Bylaws, and may be reelected;
- ii. The Directors' compensation is fixed, paid monthly in 12 (twelve) installments each year;
- iii. The Board of Directors, for better performance of its functions, may establish technical and consultative committees with defined objectives, being composed of Directors and/or specialists in the respective themes of each committee;
- iv. Directors who participate in committees or other advisory bodies to the Board of Directors will not receive additional compensation; and
- v. The Director is free to decline to receive any compensation related to his performance on the Company's Board of Directors in order to comply with the rules and practices of another institution in which he works.

Directors are not entitled to receive variable compensation of any kind. However, the right to reimbursement of travel, accommodation and other expenses actually incurred in relation to the Company's business or its obligations as Directors is ensured, subject to the criteria of reasonableness.

4. FISCAL COUNCIL

The maximum global compensation of the members of the Fiscal Council, when installed, is fixed annually by the General Shareholders' Meeting that elects them, without the right to perceive variable compensation of any kind, and the right to reimbursement of travel, accommodation and other expenses actually incurred in relation to the Company's business or its obligations as members of the Fiscal Council, subject to the criteria of reasonableness. Furthermore, as provided for in article 162, Paragraph 3 of the Brazilian Corporation Law, the compensation cannot be lower, for each member in office, than 10% (ten percent) of the compensation that, on average, is attributed to each Executive Officer, not counting benefits, sums of representation and profit sharing.

The annual compensation will consist of 12 (twelve) monthly installments, decided in the form of global fees and without variation between the members that compose the Fiscal Council. As provided for in the IBGC (Brazilian Institute of Corporate Governance) Code of Best Corporate

Governance Practices, there should be no supplement to the compensation of the Fiscal Council member by those who have appointed them.

The alternate member of the Fiscal Council, when in office, will be entitled to the compensation that would be due to the incumbent member being replaced, in the period in which the substitution occurs, counted month by month, during which the incumbent member will not receive the respective compensation. However, the right to reimbursement of travel, accommodation and other expenses actually incurred in relation to the Company's business or its obligations as members of the Fiscal Council is ensured, subject to the criteria of reasonableness.

5. ADVISORY COMMITTEES

With advisory functions to the Board of Directors, the Company has the following:

- i. **Compensation Committee**: composed of 3 (three) members, its function is to assist the Board of Directors in the definition and discussion of the main guidelines related to the compensation issues of the Management and other employees, in the definition and control of corporate and individual goals, as well as reviewing this Policy. There will be no compensation for exercising the position of member of the Compensation Committee, which will be composed of employees, members of the Executive Board or of the Board of Directors of the Company or its subsidiaries.
- ii. **Technology Committee**: composed of 3 (three) members, its role is to assist the Board of Directors in defining and discussing the main guidelines related to technological trends, in product investment decisions and allocation of research and development (R&D) funds as well as in partnership models with other institutions. There will be no compensation for exercising the position of member of the Technology Committee, which will be composed of employees, members of the Executive Board or of the Board of Directors of the Company or its subsidiaries.
- iii. **Audit Committee**: mandatory when the Company enters the Novo Mercado segment of B3 SA - Brasil, Bolsa, Balcão, it will be composed of 3 (three) members. If fixed, the annual compensation of the members of the Audit Committee will consist of 12 (twelve) fixed monthly installments, with no variation between its members, and will not include those who are members of the Company's Board of Directors. In the eventual setting of the compensation of the members of the Audit Committee, the dedication of the professional's expected time, the complexity of the business, the experience and the qualification necessary to perform the function will be considered. However, the right to reimbursement of travel, accommodation and other expenses actually incurred in relation to the Company's business or its obligations as members of the Audit Committee is ensured, subject to the criteria of reasonableness.

6. BENEFITS

All benefits foreseen for the Executive Officers must be considered when approving the Management's annual global compensation, pursuant to article 152 of the Brazilian Corporation Law, and comprise:

- Medical and dental assistance offered at a subsidized price to the Executive Officers and their spouse and children;
- Life insurance offered to the Executive Officers; and
- Private pension plan.

The members of the Board of Directors, the Fiscal Council, when installed, and the advisory committees are not entitled to benefits.



7. CIVIL LIABILITY INSURANCE

In order to preserve the Company's interests, by attracting competent professionals, Padtec Holding contracts a civil liability insurance policy for the benefit of its Management and members of the Fiscal Council, when installed, whose characteristics and term are negotiated annually.

8. INDEMNITY AGREEMENT

As resolved at the Company's Extraordinary General Shareholding Meeting held on July 12, 2019, the execution of an Indemnity Agreement between the Company and its current and/or future members of the Board of Directors and the Executive Board was approved.

The execution of the Indemnity Agreement seeks to ensure that current and/or future members of the Board of Directors and the Executive Board have effective conditions so that they can exercise their activities with greater security, creating market incentives compatible with the functions performed and the risks incurred by the Company's Management.

9. GENERAL PROVISIONS

This Policy was approved at the Company's Extraordinary Shareholders' Meeting held on July 10, 2020 and will remain in force for an indefinite period.

None of the provisions contained in this Policy shall be interpreted as creating rights for Executive Officers, members of the Board of Directors, the Fiscal Council, when installed, or the advisory committees, or as granting the right to remain as Executive Officer, member of the Board of Directors, the Fiscal Council, when installed, or the advisory committees, or to interfere in any way with the Company's right to terminate the relationship with any person at any time, under the conditions provided for by law and in employment contracts.

This Policy shall not grant any Executive Officer, member of the Board of Directors, of the Fiscal Council, when installed, or of the advisory committees the right to remain in their position until their term of office expires, or to interfere with the Company's right to remove them or assure them of the right to be re-elected to the position.