

Appendix 1 - Board of directors' proposal for remuneration guidelines for Group executive management team

The following guidelines include Group CEO and other members of the Transcendent Group (“the Company”) Group executive management team. After the guidelines have been adopted by the Annual General Meeting, they shall be applied to remuneration agreed at the Annual General Meeting and changes on already agreed remuneration. The guidelines do not apply to remuneration that is treated as a separate decision at the Annual General Meeting, such as share related remuneration. The Group CEO and other members of the Group executive management do not participate in the Board of Directors’ processing of, and resolutions regarding, remuneration related matters in so far as they are affected by such matters.

1. The guidelines' promotion of the Company's business strategy, long term-interests and sustainability

Transcendent Group’s strategic focus is to grow, both in an already established market and internationally through establishment on new geographical markets. This, together with a continuous development of Transcendent Group’s product and service offer, provides good opportunities for a strong growth. The Company’s primary mission is to help customers to meet an increased demand of professional GRC services in an ever-changing world with increased complexity and greater operational risks. For more information on the Company’s business strategy, see the Company’s webpage: [Prospectus](#)

A successful implementation of the Company’s business strategy and long-term interests, including sustainability, requires that the Company can recruit and retain qualified Group executives. That requires that the Company can offer a competitive total compensation, that is enabled by these guidelines.

The purpose of variable cash remuneration covered by these guidelines is to promote the Company’s business strategy as well as its long-term interest, including sustainability matters.

2. Compensation components and other terms for members of Group executive management team

Remuneration to the Group CEO is determined by the Board of Directors. The Board of Directors decides on the remuneration of other Group executive management team members based on the Group CEO’s proposal according to the so-called grandfather principle.

Total remuneration shall be in line with market practice and may include the following components: annual fixed salary, short-term variable remuneration, long-term variable remuneration, benefits and pension. In addition, the Annual General Meeting may – irrespective of these guidelines – resolve on share-based remuneration.

Performance criteria for variable remuneration shall be measured over a measurement period of one (1) or several years. Short term variable remuneration cannot exceed 50 percent of fixed annual salary (i.e. 6 monthly salaries) for Group executives for a measurement period. Long term cash-based remuneration cannot exceed 75 percent of fixed annual salary.

Pension contribution to Group executives shall be in line with market practice and in accordance with local conditions. Variable cash remuneration shall not be pensionable salary, except when it follows from rules under a general pension plan. The pension premiums shall amount to no more than 25 percent of fixed annual salary. Group executives are offered to exchange fixed salary to pension as long as it is cost neutral for the Company and allowed by local regulations.

Other benefits may include healthcare insurance and car benefit. Premiums and costs of such benefits may amount to a maximum of 5 percent of the fixed annual salary. For employees governed by rules other than Swedish rules, pension benefits and other benefits may be adjusted to comply with local rules and practice.

3. Termination of employment

Notice period for a member of the Group executive management at the initiative of the Company corresponds to minimum of three (3) up to a maximum of six (6) months depending on position (6 months for CEO positions). No severance pay is paid.

4. Criteria for payment of variable cash remuneration

Any variable remuneration component shall reward the fulfillment of pre-defined and measurable criteria, financial or non-financial, that are clearly related to the Company's financial or non-financial objectives. The criteria shall promote the Company's business strategy and long-term interests, including sustainability.

When the measurement period ends, assessment of potential outcome is made based on the pre-determined criteria for payment of variable remuneration. The Board of Directors is responsible for the assessment of Group CEO's potential outcome in variable remuneration, while the Group CEO is responsible for the assessment of other Group executive managers' outcome in variable remuneration. For financial targets, the assessment is based on the financial information published by the Company.

The terms for variable cash remuneration shall be structured so that the Board of Directors, if exceptional conditions prevail, has the possibility to limit or refrain from paying variable remuneration, if such a payment is considered unreasonable for different reasons.

5. Salary and employment conditions for employees

Salary and employment conditions for the employees are base for the Board of Directors' proposal for these remuneration guidelines. Information about employees' total remuneration, individual remuneration components as well as development of salary increases over time have constituted the basis for the Board of Directors' evaluation of whether these remuneration guidelines are reasonable.

6. The decision-making process to determine, evaluate and apply the guidelines

The Board of Directors' proposal for remuneration guidelines for Group executives is presented and subject for approval at the Annual General Meeting. The Board shall prepare a proposal for new guideline at least every fourth year and submit to the Annual General Meeting.

The Board will further follow and evaluate programs for variable remuneration for the Company's Group executive management and the application of the guidelines in terms of remuneration levels and structures. The guidelines shall be in force until new guidelines are adopted by the Annual General Meeting.

7. Deviations from the guidelines

The Board can decide to temporarily deviate from the guidelines partially or entirely, if there are reasons for it in occasional cases and deviation is considered necessary in order to serve the Company's long-term interests, or to ensure the Company's financial viability.

8. Possible changes of guidelines and consideration of shareholders' comments

Applicable for future proposed guidelines, after the adoption of the first revised guidelines.
