Governance Framework

Oversight, accountability and internal control framework for ZEND

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Governance Commitment

Governance arrangements are designed to promote accountability, transparency, prudent risk management and operational resilience.

Critical decisions affecting users, reserves, compliance, technology infrastructure and business operations are subject to appropriate oversight, review and control.

The framework is reviewed periodically to remain proportionate to Trnznd's operating model, risk profile and regulatory environment.

1. Purpose

This Governance Framework sets out the governance principles, oversight structures, decision-making processes, internal controls, and accountability mechanisms established by Trnznd SA in connection with the issuance, administration, reserve management, and operation of ZEND.

The framework is designed to promote sound governance, prudent risk management, operational resilience, regulatory compliance, reserve integrity, and the protection of users and stakeholders.

2. Governance Philosophy

Trnznd is committed to maintaining governance standards consistent with institutional financial services best practices. Governance arrangements are intended to ensure that critical decisions affecting users, reserves, compliance obligations, technology infrastructure, and business operations are subject to appropriate oversight, review, and control.

- Accountability.
- Transparency.
- Independence of oversight.
- Segregation of duties.
- Risk-based decision making.
- Financial integrity.
- Regulatory compliance.
- Operational resilience.
- Continuous improvement.

3. Board Oversight

The Board of Directors is the ultimate governing body of Trnznd SA and is responsible for overseeing the safe, prudent, and effective operation of the business.

The Board reviews significant risks, material incidents, reserve composition, liquidity management, audit findings, and compliance matters on a periodic basis and may direct corrective actions where considered necessary.

- Corporate strategy and business objectives.
- Reserve management principles.
- Risk appetite and risk management.
- Compliance and regulatory matters.
- Financial reporting and audit.
- Technology and cybersecurity oversight.
- Material operational policies.
- Business continuity and resilience.
- Stakeholder protection.

4. Executive Management

Executive Management is responsible for implementing Board-approved strategy and ensuring that Trnznd operates in accordance with applicable laws, internal policies, and governance standards.

Management is accountable to the Board and provides regular reporting on operational performance, compliance matters, reserves, risk exposures, incidents, and strategic initiatives.

- Day-to-day operation of the platform.
- Implementation of compliance controls.
- Treasury and reserve oversight.
- Technology management.
- Risk monitoring.
- Operational execution.
- Vendor management.
- User support and service delivery.

5. Three Lines Model

Trnznd applies a Three Lines governance model to ensure effective oversight and independent challenge.

5.1 First Line - Operational Management

Business functions own and manage risks arising from their day-to-day activities. Operational teams are responsible for executing controls, maintaining procedures, identifying risks, and escalating issues.

- Operations.
- Treasury.
- Technology.
- Customer Support.
- Administration.

5.2 Second Line - Risk and Compliance Oversight

Risk and Compliance functions provide independent oversight, monitoring, advice, and challenge. These functions are authorised to challenge operational decisions and recommend corrective action where appropriate.

- AML/CFT oversight.
- Sanctions compliance.
- Risk assessment.
- Policy development.
- Compliance monitoring.
- Escalation management.
- Regulatory engagement.
- Staff training.

5.3 Third Line - Independent Assurance

Internal audit activities and independent external reviews provide objective assurance regarding the effectiveness of governance, risk management, internal controls, and regulatory compliance. Independent assurance supports Board oversight and promotes continuous improvement across the organisation.

6. Segregation of Duties

Trnznd maintains segregation of duties across key operational functions to reduce operational, financial, compliance, and fraud risks. No individual has unilateral authority over all stages of any material process.

Dual authorisation requirements apply to material financial and administrative actions.

- Client onboarding.
- Compliance approvals.
- Reserve management.
- Payment processing.
- Minting and redemption.
- System administration.
- Access control management.
- Incident response.
- Financial reconciliation.

7. Risk Governance

Risk management is integrated throughout the organisation. Material risks are evaluated against approved risk tolerances and escalated through established reporting channels where necessary. Risk assessments and internal controls are reviewed periodically to ensure continuing effectiveness.

- Reserve and liquidity risk.
- Operational risk.
- Compliance risk.
- Counterparty risk.
- Technology risk.
- Cybersecurity risk.
- Regulatory risk.
- Reputational risk.

8. Compliance Governance

Trnznd maintains a risk-based compliance programme designed to support compliance with applicable legal and regulatory obligations. Compliance matters are reported to senior management and escalated to the Board where appropriate.

- Customer due diligence procedures.
- AML/CFT controls.
- Sanctions screening.
- Transaction monitoring.
- Enhanced due diligence.
- Suspicious activity escalation.
- Regulatory reporting.
- Compliance training.
- Policy management.

9. Reserve Governance

Reserve governance is intended to ensure that reserve assets are managed prudently, transparently, and in accordance with established reserve policies. Reserve assets are managed separately from the ordinary operating activities of the business and are subject to defined controls, oversight, and reporting requirements.

- Capital preservation.
- Liquidity management.
- Diversification.
- High-quality asset selection.
- Daily reserve monitoring.
- Supply-to-reserve reconciliation.
- Periodic reporting.
- Independent assurance.

10. Technology and Security Governance

Technology governance supports the security, integrity, availability, and resilience of Trnznd systems and infrastructure. Material technology changes are subject to documented review and approval processes.

- Role-based access controls.
- Multi-factor authentication.
- Change management procedures.
- Secure development practices.
- Cybersecurity monitoring.
- Multi-signature controls.
- Incident response planning.
- Business continuity arrangements.
- Periodic security reviews.

11. Audit, Reporting and Transparency

Trnznd supports transparency and accountability through documented reporting, monitoring, and assurance activities. Independent audits, attestations, and assurance reviews may be conducted periodically to support governance objectives and stakeholder confidence.

- Compliance reports.
- Risk reports.
- Reserve reports.
- Operational reporting.
- Incident reporting.
- Audit findings.
- Corrective action tracking.

12. Conflicts of Interest

Trnznd seeks to identify, manage, mitigate, and where appropriate disclose actual, potential, or perceived conflicts of interest.

Personnel are required to act in the best interests of the organisation and its stakeholders and to avoid situations that may compromise objectivity, independence, or professional judgement.

Material conflicts are subject to escalation and review through established governance channels.

13. Continuous Review

This Governance Framework is subject to periodic review and may be updated to reflect changes in business operations, risk profiles, technology, regulatory expectations, industry practices, or organisational structure.

The objective of ongoing review is to ensure that Trnznd’s governance arrangements remain effective, proportionate, and aligned with the long-term stability and integrity of the ZEND ecosystem.

14. Contact

Questions regarding this Governance Framework may be directed to Trnznd through the official contact channel set out below.

Website	www.trnznd.io/contact