

Anti-Bribery & Anti-Corruption Policy

Karnot's zero-tolerance commitment against bribery, corruption, and improper inducements — applicable to every Karnot person and every counterparty.

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Effective from	11 May 2026
Next review	11 May 2027 (Annual)
Approved by	Stuart Edmund Cox, Managing Director
Applies to	All Karnot directors, officers, employees, consultants, contractors, sub-contractors, agents, suppliers, distributors and any other party acting on behalf of Karnot, in any jurisdiction.

1. Purpose and zero-tolerance commitment

Karnot Energy Solutions Inc. ("Karnot") is committed to conducting its business honestly and with integrity. The Company adopts a zero-tolerance approach to bribery and corruption in any form, whether direct or indirect, and whether involving public officials or private-sector counterparties.

This Policy sets out the standards that all Karnot personnel and counterparties are required to observe. Breach of this Policy is grounds for immediate termination of employment or commercial relationship, and may result in civil and criminal liability for the individuals concerned and for Karnot.

2. Legal framework

This Policy is designed to ensure compliance with, at minimum, the following:

- Republic Act No. 3019 — Anti-Graft and Corrupt Practices Act (Philippines)
- Republic Act No. 6713 — Code of Conduct and Ethical Standards for Public Officials and Employees (Philippines)
- Republic Act No. 9485 — Anti-Red Tape Act of 2007, as amended by RA 11032 (Philippines)
- Republic Act No. 7080 — Plunder Law (Philippines)
- Revised Penal Code, Articles 210–212 — Bribery and Corruption of Public Officers (Philippines)
- UK Bribery Act 2010, including Sections 1, 2, 6 and 7 (corporate failure to prevent bribery)
- US Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1 et seq.
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- United Nations Convention against Corruption (UNCAC), to which the Philippines is a State Party

Where any law applicable to a transaction is stricter than this Policy, the stricter standard governs.

3. Definitions

Bribery means offering, promising, giving, requesting, agreeing to receive or accepting any financial or other advantage with the intention of inducing or rewarding the improper performance of a relevant function or activity.

Corruption means the abuse of entrusted power for private gain, including embezzlement, fraud, extortion, collusion and obstruction of justice.

Facilitation payment (also called a "grease payment") means a small unofficial payment made to secure or expedite a routine government action to which the payer is lawfully entitled. Facilitation payments are **prohibited** under this Policy, irrespective of local custom or perceived norms.

Kickback means a return of a sum already paid or due to be paid, given as a reward for awarding or facilitating business.

Public Official means any officer or employee of any government, government agency, government-owned-or-controlled corporation, regulatory body, state-owned enterprise, public international organisation, or any person acting in an official capacity for or on behalf of any of the above. This explicitly includes employees of PEZA, BOI, DOE, BIR, LGU, SEC, NPC, DENR, DOLE, and equivalent foreign bodies.

4. Prohibited conduct

Karnot personnel and counterparties shall not, whether directly or through a third party, and whether in cash, in kind, or in any other form:

- Offer, give, request or accept any bribe, kickback, facilitation payment, or other improper advantage, to or from any person, Public Official or private party.
- Promise, authorise or condone any of the above on behalf of Karnot or any related entity.
- Use any Karnot funds or assets for any unlawful or improper purpose.
- Make any political donation in the name of, or paid for by, Karnot without the prior written approval of the Managing Director and a recorded resolution of the Board.
- Engage any third party (agent, consultant, distributor, sub-contractor) to do anything that Karnot itself would be prohibited from doing under this Policy.
- Falsify, conceal, omit or alter any record relating to any transaction, payment or receipt, regardless of monetary value.

5. Gifts, hospitality and entertainment

Modest, occasional gifts and hospitality given or received in the ordinary course of business may be acceptable, but only if all of the following conditions are met:

- It is not made with the intent of influencing a business decision improperly.
- It is not solicited by the recipient.
- It complies with applicable local laws, including Section 7(d) of RA 6713 where any Public Official is involved.
- It is given openly, not secretly.
- It is reasonable and proportionate in the circumstances.
- Its value falls within the limits set out in the **Gifts and Hospitality Policy (KES-POL-009)**.
- It is recorded in the Karnot Gifts and Hospitality Register.

Gifts of cash or cash-equivalents (e.g., gift cards, vouchers, securities, cryptocurrency) are prohibited in all circumstances, irrespective of value. Any gift, however small, to or from a Public Official requires advance written approval of the Compliance Officer.

6. Third parties and due diligence

Karnot can be held liable under Section 7 of the UK Bribery Act 2010 and equivalent provisions for the actions of any person performing services for or on behalf of Karnot. Before engaging any agent, consultant, distributor, sub-contractor or introducer, the Compliance Officer must satisfy themselves that the third party:

- Has a legitimate business purpose for engagement and the experience to perform the work.
- Has been subject to risk-based due diligence proportionate to the nature, value and jurisdiction of the engagement.
- Has been informed of, and contractually bound to, this Policy through the Karnot **Compliance Acknowledgement** (KES-ACK-001) or equivalent.
- Will be paid only against documented services rendered, at fair market rates, into a bank account in the name of the contracting party.

7. Books, records and internal controls

Karnot maintains accurate books, records and accounts that fairly reflect its transactions, in accordance with Philippine Financial Reporting Standards and the books-and-records provisions of the US FCPA and the UK Bribery Act 2010. No undisclosed or unrecorded fund, account or asset shall be established for any purpose. No false, misleading or artificial entry shall be made for any reason.

8. Reporting concerns

Any actual or suspected breach of this Policy must be reported promptly. Reports may be made — in confidence and, if desired, anonymously — to:

Compliance Officer — Karnot Energy Solutions Inc.
info@karnot.com • +63 75 510 8922

All reports are handled under the Whistleblower and Speak-Up Policy (KES-POL-007). Karnot prohibits retaliation against any person who reports a concern in good faith.

9. Training and communication

Every Karnot employee receives this Policy at induction and undertakes refresher training at least annually. Officers, directors and personnel in roles with material bribery-risk exposure (sales, procurement, regulatory affairs) receive enhanced training. This Policy and the Karnot Supplier Compliance Pack are publicly published at karnot.com/governance/.

10. Roles, responsibilities and enforcement

The Managing Director has overall accountability for this Policy. The Compliance Officer is responsible for its day-to-day administration, including investigation of reports, maintenance of registers, training, due diligence, and annual review.

Breach of this Policy by a Karnot employee constitutes serious misconduct and may result in summary dismissal. Breach by a counterparty constitutes a material breach of contract and entitles Karnot to immediate termination without compensation. Karnot reserves the right to refer any breach to the appropriate criminal and regulatory authorities.

APPROVAL

This policy is approved by the undersigned for and on behalf of Karnot Energy Solutions Inc., with effect from 11 May 2026, and will be reviewed not later than 11 May 2027.

Stuart Edmund Cox
Managing Director
Karnot Energy Solutions Inc.
Date: 11 May 2026