

Conflicts of Interest Policy

How Karnot identifies, discloses, and manages situations in which personal, family or financial interests may compete with the Company's.

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Next review	11 May 2027 (Annual)
Approved by	Stuart Edmund Cox, Managing Director
Applies to	All Karnot directors, officers, employees, consultants, contractors and sub-contractors, and (where the engagement is material) any other person acting on behalf of Karnot.

1. Purpose

Karnot Energy Solutions Inc. ("Karnot") trusts its people to act in the Company's best interest. That trust depends on the absence — or the proper management — of competing personal interests that could influence a business decision. This Policy explains what counts as a conflict, how to disclose one, and how Karnot will manage it.

The default expectation is simple: if you would be reluctant to disclose something because of how it might look, you must disclose it. Karnot far prefers a transparent declaration to an undisclosed conflict, even where the conflict turns out to be immaterial.

2. Types of conflict

Conflicts can be:

- **Actual** — a personal interest *is* influencing a business decision.
- **Potential** — a personal interest *could* influence a business decision in foreseeable circumstances.
- **Perceived** — a reasonable, informed observer might believe a personal interest *could* be influencing a business decision, even where it is not.

3. Common scenarios that must be disclosed

The following are examples — non-exhaustive — of situations every Karnot person must disclose in writing to the Compliance Officer using the Karnot Conflicts Disclosure Form:

- **Outside employment or board positions** with a current or potential Karnot customer, supplier, sub-contractor, competitor, distributor or investor.
- **Personal or family relationships** with a person at a current or potential Karnot counterparty — spouse, partner, child, sibling, parent, in-law, or any household member.
- **Material financial interests** in a Karnot counterparty — directly or indirectly through family members or controlled entities. "Material" means anything beyond a holding of publicly-traded shares of less than 1% in a company with combined market cap of > PHP 50bn.
- **Side businesses** in heat-pumps, refrigeration, energy services, building services, or any field that overlaps with Karnot's commercial activity.
- **Receiving income or benefit from any party** with whom Karnot does or may do business (other than the salary or contractor fee paid by Karnot itself).
- **Personal use of Karnot proprietary information**, customer lists, supplier lists, technical know-how, or intellectual property.

- **Award of contracts, hiring, promotion or supplier selection** involving a person to whom the decision-maker is related, romantically attached, or financially obligated.
- **Gifts or hospitality** that approach or exceed the limits in the Gifts and Hospitality Policy (KES-POL-009).

4. Disclosure process

Disclosure is made in writing to the Compliance Officer (info@karnot.com) using the Karnot Conflicts Disclosure Form. The disclosure describes:

- Who is involved (the Karnot person, the third party, and the relationship).
- What the nature and value of the interest is.
- Which Karnot decisions the interest could plausibly affect.
- What measures the discloser proposes to manage it (e.g., recusal, ring-fencing, divestment).

5. Review and management

On receipt of a disclosure the Compliance Officer will, within 10 working days:

- Confirm whether the disclosed matter constitutes a conflict for the purposes of this Policy.
- Decide an appropriate management measure — these range, in escalating order, from: noting on file (no further action); recusal from specific decisions; reassignment of responsibilities; divestment of the interest; through to termination of the engagement in extreme cases.
- Communicate the decision in writing to the discloser and to the discloser's line manager (where employed).
- Record the disclosure and decision in the Karnot Conflicts Register, retained confidentially for the duration of the engagement plus 10 years.

6. Refreshed annual disclosure

Every Karnot director, officer and employee in a decision-making role provides an annual signed Conflicts Disclosure each May, even where the disclosure is "nothing to report". This creates a baseline against which to identify emerging conflicts.

7. Failure to disclose

Failure to disclose a conflict — or to update a disclosure when circumstances change — is a serious breach of this Policy and of the Code of Business Conduct (KES-POL-003). Consequences range from formal warning, through reassignment, loss of decision-making authority, financial recovery, and dismissal for cause. Where the undisclosed conflict has caused or risked Karnot loss, the Company reserves the right to recover damages.

8. Conflicts involving the Managing Director

Disclosures involving the Managing Director are made to the Compliance Officer and, separately, to the Karnot Board of Directors. Where the Compliance Officer is also the Managing Director (currently the case while Karnot operates with a small officer base), the disclosure is made directly to the Chair of the Board or, in the absence of a separate Chair, to the company's external counsel for independent review.

9. Review

The Conflicts Register and aggregate disclosure pattern is reviewed by the Managing Director annually. This Policy is reviewed annually.

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