

MY CO2 GROUP OF COMPANIES	COMPLIANCE POLICY MY/FD/006 (02)	
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Issue by:  Kuan Pin Seah Financial Controller		Reviewed & Approved by:  Ooi Shu Geok Chief Executive Officer
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1.0 Policy:

My CO2 group of Companies shall implement, maintain and update the policy in order to comply with the acts, laws, rules and regulation.

2.0 Objective:

The primary objective of this policy is to uphold a high standard of corporate governance within the Group and to minimize the compliance risk.

3.0 The groups adopts the following practices:

3.1 Compliance with the applicable acts, laws, rules and regulations

- 3.1.1 The Management shall ensure the Group and its subsidiaries comply with applicable acts, laws, rules and regulations.
- 3.1.2 The Group shall engage an external consultant when necessary or if internal resources are limited.

Area	Person in charge
3.1.2.1 Monitor the regulatory environment and implement the applicable rules and regulations	Financial Controller (FC) in consultation with Company Sponsor (Zico Cap) & Company Secretary
Business Law	
Code of Corporate Governance 2018	
Company Act	
Income Tax Act	
Listing Rules and Regulations of Catalist	
Patent Law	
Securities Act	Chief Compliance Officer
Industry-specific Licensing requirements	

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Local Government Act	
3.1.2.2 Review impact of new regulations on the Group's operations and processes	(CCO)
3.1.2.3 Disseminate information and advice on regulatory changes to relevant company officers/staff	FC/Chief People Officer (CPO)/CCO
3.1.2.4 Measure compliance performance	Chief Executive Officer (CEO)/ FC/CCO

- 3.1.3 The management shall report to the Board immediately if there is any finding or violation discovered.
- 3.1.4 The Board shall investigate the finding or violation and take remedial action accordingly. The **Company** shall engage an external consultant when necessary.
- 3.1.5 If it is material (potential loss is more than RM150,000), the **management** shall report to the CEO immediately for further assessment and action.

3.2 Corporate actions and announcements

3.2.1 Corporate actions

3.2.1.1 Definition

A corporate action is any event that brings material change to a company and affects its stakeholders, including shareholders, both common and preferred as well as bondholders.

3.2.1.2 Corporate actions include but not limited to:

3.2.1.2.1 Investment related: merger and acquisition, disposal of subsidiaries and declaration of dividend

3.2.1.2.2 Changes in capital: issuance of new shares, bonus issue or warrants, share split, capital reduction;

3.2.1.2.3 Financing related: issuance of corporate bonds.

3.2.1.3 Compliance

3.2.1.3.1 All corporate actions shall be duly approved by the Group Board.

3.2.1.3.2 The board memo with the illustration of nature of transaction, rationale, benefits, risks and financial effects shall be presented for the Board's assessment.

3.2.2 Announcements

3.2.2.1 Definition

3.2.2.1.1 Pursuant to Rule 703 of the Catalist Rules, an issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which:

- i is necessary to avoid the establishment of a false market in the issuer's securities; or
- ii would be likely to materially affect the price or value of its securities.

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3.2.2.2 Compliance

- 3.2.2.2.1 In complying with the Exchange's disclosure requirements, the Group must:
- i observe the Corporate Disclosure Policy set out in Appendix 7A of the Catalist Rules, and
 - ii ensure that its directors and executive officers are familiar with the Exchange's disclosure requirements and Corporate Disclosure Policy
- 3.2.2.2.2 All announcements shall be prepared by the Corporate Secretary, duly reviewed by the Sponsor and approved by the **Board**.
- 3.2.2.2.3 The list of announcements shall be presented to the Board during the board meeting.

3.3 Conflicts of Interest

To refer Conflict of Interest Policy (MY/HRD/006)

3.4 Interested person transactions

3.4.1 Objective

- 3.4.1.1 To ensure that transactions with interested persons are undertaken on normal commercial terms and are consistent with our Group's usual business practices and policies, which are generally no more favorable than those extended to unrelated third parties and not prejudiced to the interests of the Company and minority shareholders; and
- 3.4.1.2 To ensure that Interested Person Transactions (“IPT”) transactions are properly identified and reviewed for compliance with the Catalist Listing Manual and consistent with the Group's Policy.

3.4.2 Definition

- 3.4.2.1 Transactions between the Group and any of the Interested Person (“IP”) would constitute IPT for the purposes of Chapter 9 of the Listing Manual which require approval by disinterested directors or shareholders of the Company. **However, the Group has extended the definition of IP to minimize the conflict of interest between the person in the Group's decision making level.**
- 3.4.2.2 An “interested person” is
- i A director, **key management personnel**, or controlling shareholder of the issuer or
 - ii An associate* of any such director, **key management personnel**, or controlling shareholder.
- 3.4.2.3 An associate* is defined as below:
- In relation to any director, **key management personnel**, substantial shareholder or controlling shareholder (being an individual) means:-
- 3.4.2.3.1 His immediate family (that is, the spouse, child, adopted child, step child, sibling and parent);
 - 3.4.2.3.2 The trustees of any trust of which he or his immediate family is beneficiary or,

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- in the case of a discretionary trust, is a discretionary object; and
- 3.4.2.3.3 Any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- 3.4.2.3.4 In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and / or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- 3.4.3 Declaration
- 3.4.3.1 Pursuant to chapter 9 of the listing Manual, all members of the Board of Directors, chief executive officer, controlling shareholder **and his / her associate** have a duty to declare interest in associates (as defined in the chapter 9 of listing manual) which (directly or indirectly) have an interest of 30% or more.
- 3.4.3.2 Accordingly, it shall be the policy that all Interested Transactions with IPs (as those terms are defined in this Policy) shall be subject to approval or ratification in accordance with the procedures set forth below.
- 3.4.4 Policy
- 3.4.4.1 To ensure that future transactions with interested persons are undertaken on an arm's length basis, on normal commercial terms, not prejudicial to the interests of our Group and our minority Shareholders, and are consistent with our Group's usual business practices and policies, which are generally no more favorable than those extended to unrelated third parties, the following procedures will be implemented by our Group.
- 3.4.4.2 In relation to any purchase of products or engaging any services **amounting above RM5,000** from an Interested Persons, quotes from at least two (2) unrelated third parties in respect of the same or substantially the same type of transactions will be used as comparison wherever possible. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two (2) comparative prices from the two (2) unrelated third parties. The Audit Committee will take into account, including but not limited to, the suitability, quality, cost of the products or services, specifications, delivery time and the track record of the suppliers.
- 3.4.4.3 In relation to any sale of products or provision of any services to Interested Person, the price and terms of at least two (2) other completed transactions of the same or substantially the same type of transactions to unrelated third parties are to be used as comparison wherever possible. The Interested Persons shall not be charged at rates lower than that charged to the unrelated third parties.
- 3.4.4.4 When renting properties from or to interested persons, the Audit Committee shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining suitable reports or

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reviews published by property agents, (including independent valuation report by property valuer, where considered appropriate). The rent payable shall be based on the most competitive market rental rate of similar properties in terms of size, suitability for purpose and location, based on the results of the relevant enquiries.

For the purposes above, where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products or services may be purchased only from the Interested Person, the Audit Committee will determine whether the price and/or the other terms offered to the Interested Persons are fair and reasonable, before approving such interested person transaction. In so determining, the Audit Committee will consider whether, including but not limited to, the price and/or other terms are in accordance with usual business practices and pricing policies to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken at an arm's length basis and on commercial terms.

3.4.5 Interested Person Transactions Categories

3.4.5.1 We shall monitor all interested person transactions entered into by us categorizing the transactions as follows:

- i a "Category one" interested person transaction (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is one where the value or aggregate value thereof, as the case may be, is equal to or more than 3.0% of the latest audited NTA of our Group; and
- ii a "Category two" interested person transaction (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is one where the value or aggregate value thereof, as the case may be, is below 3.0% of the latest audited NTA of our Group.

3.4.5.2 In line with Chapter 9 of the Catalist Rules, a transaction of value less than **RM300,000** is not taken into account for the purposes of the above aggregation.

3.4.5.3 All "Category one" interested person transactions must be approved by our Audit Committee **whom shall not be an interested person** prior to entry. All "Category two" interested person transactions **to** be approved by **CEO** or FC, whom shall not be an interested person in respect of the particular transaction prior to entry and shall be **circulated** on a half yearly basis **by to** the Audit Committee. **Audit Committee to take responsibility to approve the IPT under "Category two" prior to entry if both of CEO and FC involved in the IPT.**

3.4.5.4 In the event that a member of our Audit Committee is interested in any interested person transaction, he will abstain from reviewing and approving that particular transaction. We shall prepare all the relevant information to assist the

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Audit Committee in its review and will keep a register recording all interested person transactions. The Audit Committee will ascertain whether the interested person transactions are on normal commercial terms and not prejudicial to interest of minority Shareholders, in compliance with the guidelines and procedures established to monitor interested person transactions. If the Audit Committee is of the opinion that the guidelines and procedures are not sufficient to ensure that interested person transactions will be on normal commercial terms, on an arm's length basis and not prejudicial to our Group's interests and the interests of our minority Shareholders, the Audit Committee will adopt such new guidelines and review procedures for future interested person transactions as may be appropriate. The Audit Committee may request for an independent financial adviser's opinion at our Group's expense as it deems fit.

- 3.4.5.5 We will also comply with the provisions in Chapter 9 of the Catalist Rules in respect of all future interested person transactions, and if required under the Catalist Rules or the Singapore Companies Act, we will make immediate announcements and/or seek independent Shareholders' approval for such transactions. In particular, interested persons and their Associates shall abstain from voting on resolutions approving interested person transactions involving themselves and our Group. In addition, such interested persons shall not act as proxies in relation to such resolutions unless specific instructions as to voting have been given by the Shareholders.
- 3.4.5.6 Our Audit Committee and our Board will also ensure that all disclosures, approvals and other requirements on interested person transactions, including those required by prevailing laws, rules and regulations, the Catalist Rules and accounting standards are complied with. Pursuant to the Catalist Rules, we will make the required disclosure in relation to our in our annual report during the relevant financial year under review.
- 3.4.6 Identification and Disclosure of IPT
- 3.4.6.1 **Finance Department (FD) is responsible to** the Section 156 **Singapore Companies Act 1967 (SCA)** Disclosure (Appendix 1) and Interested Person Transactions Disclosure (Appendix 2) from a new appointed Director, nominee for Director and Executive Director, chief executive office and controlling shareholder as to fulfill the SCA's and Catalist Rules's requirement.
- 3.4.6.2 Each **existing IP** is responsible for providing information to the Company of any changes / additional potential IPT involving him or her or his or her Immediate Family Member, including any additional information about the transaction that the Company may reasonably request **in yearly basis through Form 209 Interested Person Transaction Disclosure**.
- 3.4.6.3 **FD** shall maintain an updated IPT Register based on **IPs** declaration.
- 3.4.6.4 Personnel involved shall obtain the relevant approval for any provision or procurement of any IPTs services or sales of goods as per the authority limit set.
- 3.4.6.5 The Group shall, with reference to Chapter 9 of the Catalist Rules, take

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necessary action i.e. making an immediate announcement, obtaining shareholder approval or seeking for General Mandate.

3.4.7 Register and Periodic Review

- 3.4.7.1 An IPT Register shall be maintained to record all transactions entered into with IPs and monitor closely of the aggregate transacted amount by **FD** to ensure the approval limit is within the threshold.
- 3.4.7.2 **FD shall prepare the IPT Register and submit for FC's review on monthly basis to ensure compliance to policy.**
- 3.4.7.3 The **latest IPT Register** shall be circulate to the Board of **Audit Committee (AC)** for information and review **during AC meeting** or whenever deemed necessary by the Board.

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Appendix 1

DIRECTOR'S DISCLOSURE FORM (SEC156)

Name : _____

Address : _____

Date : _____

The Directors

[**Company name**]

Address:

Dear Sirs

DIRECTOR DISCLOSURE OF INTERESTS IN TRANSACTIONS, PROPERTY, OFFICES ETC.

In accordance with Section 156 of the Companies Act, Cap. 50, I hereby give the company general notice that I am an officer or member of the corporations or firms set out below and should be regarded as being interested in any contract hereinafter made with any of the undermentioned corporations or firms.

Name of Corporation ¹ or Firm ²	Nature of Interest ³ Director or Member	Extent of Interest ⁴
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

I shall be obliged if you would ensure that the above interests are brought up and read at the next meeting of the directors and that this declaration of interests is duly recorded in the minutes of that meeting.

Yours faithfully

.....

(Name of Director)

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- 1 A corporation means any body corporate formed or incorporated or existing in Singapore or outside Singapore and includes any foreign company but does not include :-
 - (a) Any body corporate that is incorporated in Singapore and is by notification of the Minister in the Gazette declared to be a public authority or an instrumentality or agency of the Government or to be a body corporate which is not incorporated for commercial purposes;
 - (b) Any corporation sole;
 - (c) Any co-operative society;
 - (d) Any registered trade union; or
 - (e) Any limited liability partnership
- 2 A firm means a sole proprietorship or partnership.
- 3 Please state whether you are a member and/or an officer of the corporation. In the case of a firm, a general notice under Section 156(4) of the Act need only be given if the director owns or is a member of the firm.
- 4 If you have an interest in a corporation, please state the number of shares and options to acquire shares in that corporation held by you and/or your family.

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Appendix 2

INTEREST PERSON TRANSCATION DISCLOSURE FORM

[Name of Director]

[Company name]

DIRECTOR'S DISCLOSURE OF INTERESTS IN ASSOCIATES (AS DEFINED UNDER THE LISTING MANUAL) FOR PURPOSES OF INTERESTED PERSON TRANSACTIONS

Pursuant to Chapter 9 of the Listing Manual. I hereby give notice that my associate(s) (as defined in the Listing Manual) and myself together (directly or indirectly) have an interest of 30% or more in the following companies / firms.

Name of *Companies/ Firms*

Shareholdings in Companies / Firms

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

I hereby confirm the above shareholdings in the above companies as correct.

Date: _____

Signature: _____