



K2 Bitumen Sdn. Bhd.

CORPORATE GOVERNANCE POLICY

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1. INTRODUCTION TO CORPORATE GOVERNANCE

K2 Bitumen Sdn. Bhd. Board of Directors (Company or K2B) has prepared this policy document and emphasizes adherence to the standard in the areas covered here. The company periodically reviews the company's general management systems and updates them as necessary. The company maintains a high ethical level in its business concept and relationships with customers, suppliers and employees.

2. BUSINESS

K2 Bitumen Sdn. Bhd. is a private company that blends modified bitumen by incorporating recycled waste from cup lump rubber, used tires, single-use plastic bottles and caps, disposable gloves and medical waste. The final product is used for road surfaces.

3. PURPOSE

Our goal is to be the country's pioneer in implementing innovative methods for recycling waste from discarded materials from our daily use to produce modified bitumen for our roads and which at the same time, extends the useful life of the road through enhancing the properties of our products. This recycling process helps eliminate the negative environmental and ecological impacts of discarded waste in our landfills or from air pollution from burning of the waste.

4. VALUES

K2B is committed to developing a profitable and sustainable business for the benefit of our shareholders, customers, employees and the entire community.

At K2B, we recognize and honor our responsibilities to:

- Our customers who use and pay for our services and products
- Our partners and collaboration partners
- The society in which we operate
- Environment
- Our employees
- Our shareholders

We try to follow our core values in our activities through:

Team work

- Recognize the team member's contribution and expertise
- Value Propositions and Differences in Perspective
- Put company goals before individual goals and support team decisions

Respect

- Value and encourage diversity in our workplace
- Identify each person as essential to K2B's mission
- Inspire, direct and motivate colleagues

Integrity

- The highest personal and professional ethics and conduct
- Honest, direct and open communication
- Consistent implementation of standards, practices, recognition and reward

Performance culture

- Set ambitious goals
- Be results oriented
- Create a competitive advantage

Professionalism

- Accountability
- Take responsibility
- Identify and solve problems
- Adhere to internal and external standards, procedures and policies
- Proactively evaluate and improve processes and results

5. ETHICAL GUIDELINES

The company adheres to the following ethical guidelines, which apply to all employees of the company:

(A) Personal Conduct

All employees and representatives of the Company must be fair and honest when representing the Company in dealings with customers, government officials, suppliers, competitors, shareholders, the public and other employees or contractors. Company management has a special responsibility to promote transparency, loyalty and respect.

(B) Conflict of interest

Employees and representatives of the Company must avoid situations where a conflict may arise between their personal and/or financial interests and the interests of the Company and, if such conflicts are unavoidable, they must notify senior management and/or the board of such conflicts so that they can be managed properly.

(C) Confidential Information

Employees and agents of the Company who have confidential information about the Company must act and protect the information with the utmost care and loyalty and comply with all signed confidentiality agreements.

(D) Influence

The company's employees and representatives must not directly or indirectly offer, allow, request, demand or accept illegal or dishonest financial gifts or other benefits for profit.

(E) Competition

The company supports fair and open competition. Employees or representatives of the company must never participate in activities that may be in conflict with the competition rule.

(F) Health, Safety and Environment

The Company operates in a manner that prevents harm to people, the environment or property. The company is committed to creating a work culture where loss prevention is a priority for everyone. All employees are responsible for maintaining a safe and healthy workplace.

(G) Violation of the Code of Conduct

Violation of this Code of Conduct may result in serious consequences for the Company and any violation may result in consequences for the individual concerned.

6. CORPORATE SOCIAL RESPONSIBILITY GUIDELINES

K2B understands that meeting the financial, social and environmental demands of our wider stakeholders has a significant impact on the company's reputation. The basis of the corporate responsibility platform is the guidelines of the established code of conduct aimed at employees of business units, which will be further developed as the company grows. The company must pay particular attention to safety and that its operations do not pose a significant risk to customers, employees or the environment.

7. DIVIDEND

The board tries to keep the company's equity ratio satisfactory and according to the company's goals, strategy and risk profile. The company aims to pay dividends annually subjected to the company's profit for the year.

8. RELATED PARTY TRANSACTIONS

Transactions with related parties are made at fair value on an arm's length basis and, in the absence of other relevant factors, fair value corresponds to market value. All material transactions between the company and members of the board of directors, shareholders, officers or their affiliates are evaluated by an independent third party unless evaluated and decided by a general meeting of shareholders.

9. GENERAL MEETING OF SHAREHOLDERS

The company invites the shareholders to annual general meeting no later than 14 days before the general meeting. The notice must be accompanied by sufficiently detailed documentation to allow the shareholder to comment on all cases under review.

10. RESPONSIBILITIES OF DIRECTORS

The Board ensures that the company has good management with a clear internal division of responsibilities and duties.

The Board of Directors is responsible for ensuring that the company is managed in accordance with the company's values and ethical guidelines.

11. EXECUTIVE COMPENSATION

Board members' remuneration should be appropriately based on their responsibilities, work, time invested and complexity of the company. Compensation is a fixed amount and may include a variable component of board attendance. The Chairman of the Board may receive higher fees than other members of the Board.

12. COMPENSATION OF EMPLOYEES

The Board of Directors determines the salaries and other remuneration of management in accordance with relevant laws and regulations, with reference to the main principles of the company's remuneration practices, as well as market norms and individual performance.

13. INFORMATION COMMUNICATION

Our Board of Directors and Management shall provide our shareholders with relevant, up-to-date information about our company and its activities in a timely manner and shall at the same time exercise due caution in dispensing sensitive information which if disclosed to our competitors, could adversely affect the company's competitive advantage.

Sensitive information is handled internally in a manner that minimizes the risk of disclosure. All confidentiality agreements involving the Company must contain a confidentiality clause.

The company has clear procedures about who can speak on behalf of the company on various topics. The Managing Director is the company's main point of contact in this regard.

14. RISK MANAGEMENT AND INTERNAL CONTROL

The Board and Management ensure that the Company has appropriate systems and internal control procedures for all risks associated with the Company and its business and that the Company's policies, values and social responsibility are adhered to and upheld.

15. AUDIT COMMITTEE

The Company has an Audit Committee appointed by the Board of Directors. For practical reasons, one or more directors may form the Audit Committee.

16. AUDITORS

As a guideline, the auditor shall act solely as financial advisor to the Company unless such involvement by the auditor could impair or call into question the auditor's independence and objectivity as an auditor of the Company. Only the management is authorized to enter into contracts related to such consulting engagements.

When required, the Audit Committee or Board of Directors will meet with the auditors to discuss their views on the company's accounting policies, areas of risk, internal control routines, etc.



Mohamed Nasser Bin Ahmad
Managing Director
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