



WASCO BERHAD
(FORMERLY KNOWN AS
WAH SEONG CORPORATION BERHAD)

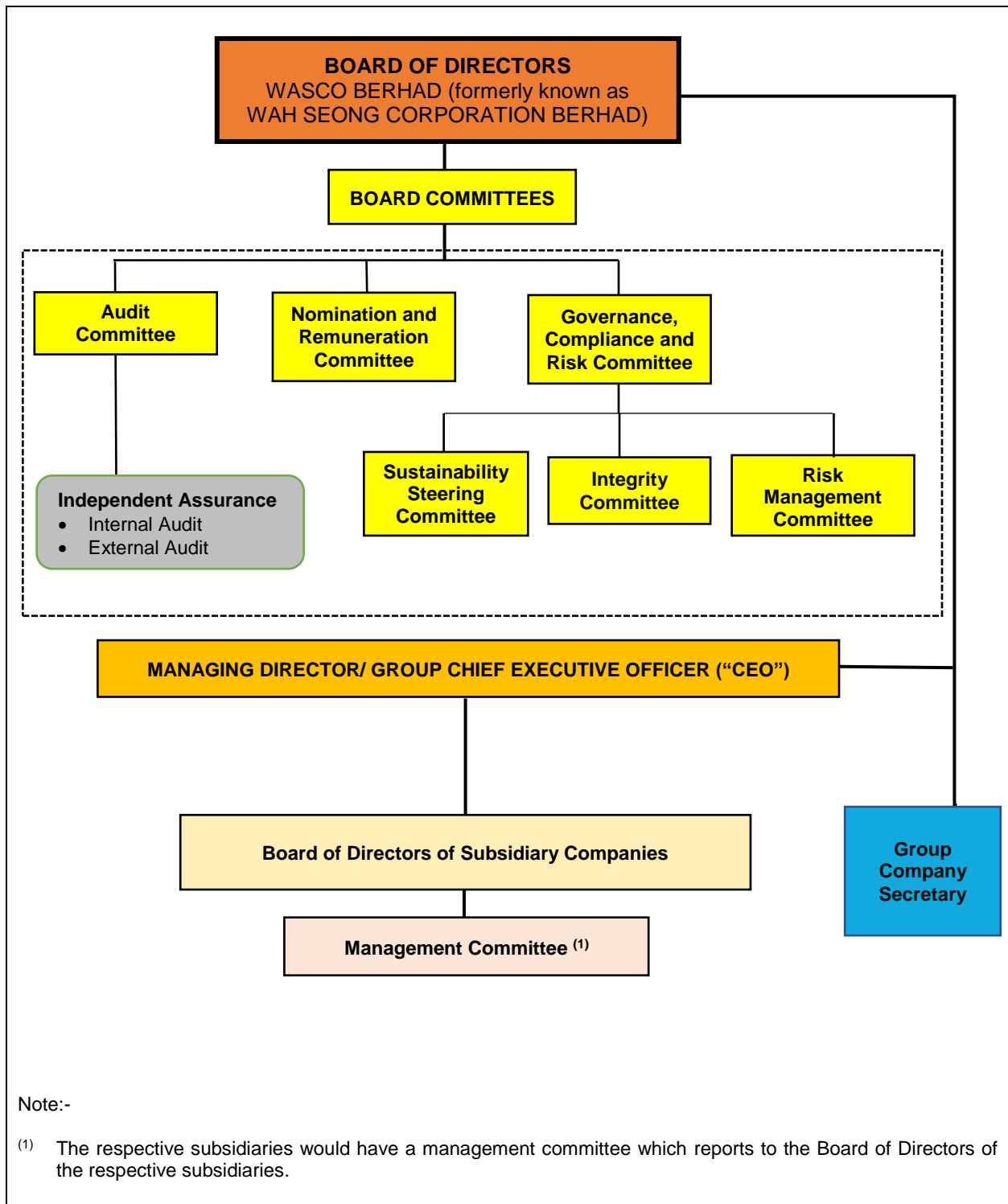
Registration No.: 199901020946 (495846-A)
(Incorporated in Malaysia)

**GOVERNANCE MODEL
DOCUMENT**

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A. GOVERNANCE MODEL



B. BOARD OF DIRECTORS

The Board of Directors (“**Board**”) of Wasco Berhad (formerly known as Wah Seong Corporation Berhad) (“**WASCO**” or the “**Company**”) is primarily responsible for ensuring that the principles of good corporate governance are practiced and appropriate corporate governance structure is in place in WASCO and its Group in creating, protecting and enhancing shareholders’ and stakeholders’ values and in promoting sustainability.

The Board shall set the tone for leadership, alignment of strategies, establishing the necessary policies and procedures and identify the authority and decision limits of WASCO and its Group.

The Board Charter sets out the standard and principles governing the Board processes and outlines the roles, functions and responsibilities of the Board in accordance with the authority conferred by the Company’s Constitution along with the provisions of the Companies Act, 2016 (“**Act**”), Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements, Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by Securities Commission Malaysia, Section 17A under the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) and the principles set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG 2021**”).

The objectives of the Board Charter are to ensure that the members of the Board are aware of their roles, duties and responsibilities and the application of principles and practices of good corporate governance in their business conduct and dealings in respect of, and on behalf of the Company and the various laws and legislations governing them and the Company.

Relevant Document: Board Charter

C. BOARD COMMITTEES

C.1 AUDIT COMMITTEE

The primary function of the Audit Committee (“**AC**”) is to assist the Board in regards to the following:-

- Oversee financial reporting.
- Evaluate the internal and external audit processes.
- Ensure that financial statements comply with applicable financial reporting standards.
- Establish policies and procedures to assess the suitability and independence of the External Auditors.

The Audit Committee Terms of Reference covers the composition, convene of meetings, majority decision, authority, responsibilities and duties, dealings with external auditors, and financial literacy.

Relevant Document: Audit Committee Terms of Reference and Board Charter

C.2 RISK MANAGEMENT COMMITTEE

The Risk Management Committee is a sub-committee of the Governance, Compliance and Risk Committee and is guided by the Risk Management Committee Charter and Framework.

The Risk Management Committee Charter covers the Group's internal control processes to ensure that management is effectively and efficiently managing all significant business risks of the Group in accordance with the Group's risk management policy.

Relevant Document: Risk Management Committee Charter and Board Charter

C.3 NOMINATION AND REMUNERATION COMMITTEE

The Chairman of the Nomination and Remuneration Committee ("**NRC**") shall lead the succession planning and appointment of Directors and oversee the development of a diverse pipeline for board and management succession, including the future Chairman, Executive Directors and Chief Executive Officer. The Chairman shall also lead the annual review of board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board Committee are independently assessed.

The Chairman of the NRC shall also assess the Board's effectiveness and the contribution of each individual Director independently in the discharge of their duties and responsibilities.

The NRC shall set the policies and procedures to determine the remuneration of WASCO's Board and Senior Management, drawing from outside advice as necessary with the objective of ensuring:-

- a. that the Company's Directors and Senior Management are fairly rewarded for their individual contributions to the Company's overall performance;
- b. that the levels of remuneration should be sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully;
- c. that the levels and composition of remuneration of Senior Management take into account the Company's intention to attract and retain the right talents to drive the Company's long-term objectives; and
- d. that the levels of remuneration for Directors and Senior Management are based on the Company's performance in managing material sustainability risks and opportunities.

Relevant Document: Nomination and Remuneration Committee Terms of Reference, Diversity Policy, Directors' Fit & Proper Policy and Board Charter

C.4 GOVERNANCE, COMPLIANCE AND RISK COMMITTEE

The Governance, Compliance and Risk Committee (“**GCRC**”) assists the Board to fulfil its corporate governance and oversight responsibilities in relation to the relevant Acts, Laws, Requirements, Codes, Regulations and Policies governing the Company.

The GCRC investigates any matters within its terms of reference and as authorised by the Board, including seeking any information from any parties and to obtain outside legal or other independent professional advice at the Company’s expense if the GCRC considers necessary. The GCRC also assess the Group’s processes relating to its risks and control environment.

The GCRC reports and updates the Board on matters and findings of the GCRC and makes the necessary recommendations to the Board within its terms of reference or as authorised by the Board.

Relevant Document: Governance, Compliance and Risk Terms of Reference and Board Charter

C.5 INTEGRITY COMMITTEE

The Integrity Committee (“**IC**”) is responsible in overseeing the Company’s approach to anti-bribery and anti-corruption compliance.

The Integrity Committee Terms of Reference covers the membership, convene of meetings, responsibilities and duties of the IC, reporting responsibilities and authority of the IC.

Relevant Document: Integrity Committee Terms of Reference, Anti-Bribery and Corruption Policy and Board Charter

C.6 SUSTAINABILITY STEERING COMMITTEE

The Sustainability Steering Committee (“**SSC**”) is established to support and assist the Board of the Company in the oversight and in discharging their responsibilities towards the WASCO Group’s on-going commitments and initiatives on its sustainability which encompasses the economics, environmental, social and governance aspects to be in line with the WASCO Group’s vision, mission and values.

The Committee will be involved in the development, execution, oversight, monitoring and assessment of the WASCO Group’s sustainability strategies, priorities, goals, targets, performances, adequacies and related systems, framework, charter and policies.

The Committee is responsible to ensure timely and efficient communication and reporting of its sustainability reports, sustainability related statements and disclosures to the relevant regulatory/governmental authorities, stakeholders and shareholders as well as ensuring the quality, accuracy and completeness of the contents thereof.

Relevant Document: Sustainability Steering Committee Terms of Reference and Board Charter

D. REVIEW

This Governance Model Document shall be reviewed from time to time to ensure that it is updated to be in line with the current/ latest regulatory requirements.

This Governance Model Document is available on the Company's website at www.wascoenergy.com

Dated: 23 May 2023