

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7231
COMPANY NAME : Wellcall Holdings Berhad
FINANCIAL YEAR : September 30, 2018

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>Wellcall Holdings Bhd. ("Wellcall") is led by experienced, competent and diversified background of Board of Directors ("Board") from various sectors, includes core business of Wellcall and its subsidiary ("Wellcall Group"). The Board collectively has set clear functions to be responsible by the Board and Management in the Charter for Board of Directors ("Board Charter"). This will ensure completeness in the coverage of the required roles and duties of the Board and the Management in achieving Wellcall Group's aims. Wellcall Group's Vision Statement, Corporate Mission Statement, Corporate Values as well as Quality Policy are published in the website http://wellcallholdings.com.</p> <p>The Board leads and has effective controls over Wellcall Group whereby collective decision and/or close monitoring are conducted on issues relating to strategies, policies, resources and performance so as to protect and enhance shareholders' as well as stakeholders' value, by way of deliberating subject matters and challenges brought up during Board meetings. Subject matters discussed, resolved and pending arising from Board meetings are minuted in the Board meeting minutes. Follow up actions are brought up in the following Board meetings until being resolved and minuted.</p> <p>To ensure the effective discharge of the Board functions and responsibilities, the Board delegates some of its authorities and discretions to the Group Managing Director, Executive Directors and General Manager, representing the Management as well as the Board Committees, which are entrusted with specific responsibilities to oversee the Wellcall Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference. The delegation and reporting functions also enhance a two-way communication between the Board and the Management keeping the Board abreast with the progress of the Wellcall Group in meeting its objectives.</p>

	<p>The Group Managing Director, Executive Directors and General Manager are primarily responsible for the implementation of the strategies set by the Board and manage the day-to-day operations and administrative functions.</p> <p>The Independent Non-Executive Directors provide objective and independent judgement to the decision making of the Board which provides an effective check and balance to the Board’s decision-making process.</p> <p>The Board has in place a strategy planning process, whereby it will be presented for discussion on quarterly basis during Board meetings whereby the Group Managing Director, Executive Directors and General Manager report on the results and challenges met. The Board objectively reviews and monitors the implementation of those plans by Management and provides input and feedback to the Management.</p> <p>The Board oversees the performance of the Management by reviewing the actual performance on both financial and non-financial results, and provides guidance to the Management on measures to be undertaken to improve business performance and minimise risk areas.</p> <p>To enable the Board to discharge its responsibilities in meeting the goals and objectives of Wellcall Group, together with the Management, the Board has been:</p> <p>(a) Promoting good corporate governance culture by adopting and practicing the following policies as published in the website, http://wellcallholdings.com:</p> <ul style="list-style-type: none"> • Code of Conduct and Ethics for Company Directors • Board Charter • Corporate Disclosure Policy • Emergency Succession Policy • Enterprise Risk Management Policy • Fraud Policy • Succession Planning Policy • Sustainability Policy • Whistle Blowing Policy <p>(b) Regularly review and updating of Wellcall Group’s strategic direction, goals and objectives developed by the Management via Board meetings;</p> <p>(c) Regularly review of the financial performance (monthly, quarterly and annually) and further discuss on significant or material operational matters in the Board meetings;</p> <p>(d) Engaging an independent external party carrying out the functions of internal auditors, including review on internal controls and reporting directly to the Audit Committee (“AC”) on quarterly basis.</p>
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	<p>Internal Audit Reports with Management responses are presented to the AC for review;</p> <p>(e) An Enterprise Risk Management (“ERM”) Committee and ERM Policy with its framework have been established to ensure risks identified are managed appropriately. Meetings and interviews are carried out with the respective process owner to update risks identified. Summary of the risk profiles and updates thereon are reported to the AC twice a year during the AC meetings;</p> <p>(f) Engaging of external advisors such as business consultants, investors relation representatives and technical advisors to assist and share their expertise to enhance Wellcall Group’s personnel skills and exposure. Trainings are also being structured for the Board as well as the Management at least once a year. Technical trainings are also in placed for senior management to enhance their technical skills and in line with the succession plan. The annual analysis carried our by the management on the total workforce of the Group by gender, age and races as shown in page 35 of the Company’s Annual Report for the financial year ended 30 September 2018 is part of the succession plan of the Group to uphold the diversity plan. Notwithstanding focusing on the current development, succession plans for the Board and key personnel are also on an on-going basis. The Board is represented by a diverse experiences and exposure background of members, whereas operationally, each level of position in every department is supported by different level of personnel as contingency back-up plan.</p> <p>(g) Ensuring continuous effective communication with stakeholders through the establishment of Corporate Disclosure Committee in and Corporate Disclosure Policy as well as appointed invertors’ relation representative. Contact details are published in the website http://wellcallholdings.com for respective areas such as:</p> <ul style="list-style-type: none"> i. General inquiry : e-mail @ wellcall@wellcall.com.my (Samantha) ii. Business inquiry : e-mail @ marketing@wellcall.com.my (Wendy) iii. Invertors’ relation inquiry : e-mail @ gary.yu@wellcall.com.my (Gary Yu). <p>In addition, the periodic press releases is also the Company’s plan to keep the Company’s stakeholders updating the development Company.</p> <p>(h) Ensuring the integrity of the financial and non-financial reporting through reporting to the Audit Committee during periodic Audit Committee meetings from internal auditors as well as external auditors without the presence of the Management. The Audit Committee shall deliberate all the findings from the Internal Auditors and the External Auditors, they shall report to the Board</p>
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	<p>of Directors if there is any matters need the attention of the Board of Directors. Operationally, limits of authorities are set to ensure segregation of authority for approval process. Each Executive Director functions on different field to ensure cross checking of operational controls and to cohesive a better decision making.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Independent Non-Executive Chairman ("Chairman"), Datuk Ng Peng Hong @ Ng Peng Hay holds a Non-Executive position. He leads the Board and is primarily responsible for matters pertaining to the Board and the overall conduct of Wellcall Group, which includes enhancing good practice of corporate governance.</p> <p>The key responsibilities of the Chairman include:</p> <ul style="list-style-type: none">(a) Providing leadership for the Board so that the Board can perform its responsibilities effectively through chairing the Board meetings and adopting matters deliberated by the Board Committees;(b) Setting the Board agenda and ensuring that the Board members receive complete and accurate information in a timely manner such as sending out meeting agendas and minutes of meetings prior to meetings via Company Secretary;(c) Leading Board meetings and discussions, which further deliberation on significant or material events;(d) Encouraging active participation and allowing dissenting views to be freely expressed to ensure key issues are addressed appropriately;(e) Promoting and managing consultative and respectful relations between the Board and the Management;(f) Chairing shareholders meeting and ensuring appropriate steps are taken to provide effective communication with stakeholders and their views are communicated to the Board as a whole; and(g) Leading the Board in establishing and monitoring good corporate governance practices for Wellcall Group. <p>The roles and responsibilities of the Chairman of the Board have been clearly specified in the Board Charter, which is available on the Company's website at http://wellcallholdings.com.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The roles and responsibilities of the Chairman, Datuk Ng Peng Hong @ Ng Peng Hay and Group Managing Director, Mr. Huang Sha are separated to promote accountability and to ensure a balance of power and authority, such that no one individual has unfettered decision-making powers.</p> <p>The roles of the Chairman of the Board are overseeing the Board in the effective discharge of its supervisory role, the efficient organisation and conduct of the Board's function and meetings, and committing the time necessary to discharge effectively his role as Chairman.</p> <p>The Group Managing Director is accountable to the Board for the overall organisation, the business, the management and allocation of the resources of Wellcall Group and for its procedures in financial as well as operational matters, including conduct and discipline.</p> <p>The separation of role and responsibilities between the Chairman and Group Managing Director are set out in the Board Charter which can be viewed at the Company's website at http://wellcallholdings.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<p>Both Company Secretaries of Wellcall Group, namely Ms. Teo Soon Mei (MAICSA 7018590) and Ms. Chua Siew Yin (MAICSA 7065531) have the required qualifications to act as Company Secretary under Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretaries play an important advisory role to the Board in relation to the Company's Constitution and Board policies. They are a source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Wellcall Group. The Company Secretaries of the Company are also :-</p> <ol style="list-style-type: none">1) support the Board in managing the Group's corporate governance developments and provide their advice to the Board from time to time in applying governance practices to meet the board's needs and stakeholders' expectations.2) to ensure that the Board papers for each of the Board meetings to be circulated at least seven days prior to every Board meeting to ensure that the directors are fully apprised on matters or key issues affecting the Group as well as to enable Directors to make well-informed decisions on matters arising at the Board Meeting.3) to record all the deliberations, including pertinent issues, substance of inquiries and responses, Board members' suggestions and the decision made in the minutes of meeting.4) to ensure the minutes of the Board meeting are also circulated to the Directors for their perusal prior to confirmation of the same at the following Board meeting.5) to remind the Board members prior to the Board meeting the close period for dealing. <p>The Board is regularly updated and apprised by the Company Secretaries on new regulations issued by the regulatory authorities. The Company Secretaries attend and ensure that all Board Meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of Wellcall Group. The Company Secretaries also work closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees.</p>

	<p>The Board is of the view that the Company Secretaries are competent and have kept themselves abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes. The Company Secretaries constantly undertakes continuous professional development to keep abreast of relevant statutory and regulatory requirements.</p> <p>The Board is satisfied with the services and performance rendered by the Company Secretaries to the Board.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>Board meetings and other Board Committees meetings such as the Audit, the Nomination and the Remuneration Committees meetings for the ensuing financial year were scheduled in advance before the end of each financial year to enable Directors to plan and include the year's Board meetings into their calendar. Board meetings are conducted using a structured agenda. The Meeting's agenda includes reviews on the Group's operation, financial performance, financial forecasts, business plans, strategic decisions, any major investments, the findings from both the external and internal auditors and any other proposals or significant matters required the expeditious direction of the Board. The Board members deliberate, assess the viability of business propositions and corporate proposals and the principal risks that significant impact on the Group's business or its financial position and mitigating factors. Special Board meetings are convened to deliberate urgent matters that required the Board's immediate decision.</p> <p>The Chairman and Chairman of each Committees lead the presentation of Board papers and discussion. Group Managing Director will explain and discuss on the pertinent issues. The Board are entitled to call for additional clarification and information to assist them in matters that require their decision-making.</p> <p>All proceedings of the Board and the Board Committees are recorded by the Company Secretary and signed by the Chairman of meetings in accordance with the provisions of the Companies Act 2016 and the Constitution of the Company. Key decisions are made in the Board meetings with Directors' Circular resolution, where applicable, confined to formalizing matters that have been discussed at the Board meetings.</p> <p>Senior Management, auditors and advisers are invited to attend Board meetings, where necessary, to provide additional information and insights on the relevant agenda items tabled at Board meetings.</p> <p>The annual assessment on the effectiveness of the Board also revealed that the timeliness of the delivery of meeting materials is meeting the set requirement.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter outlines the Board's strategic intent and the Board's roles and responsibilities. The Board Charter serves as a source reference and a primary induction literature provided insights to prospective board members and senior management. The Board Charter defined the division of responsibilities and powers between the Board and the Management, the different committees established by the Board and the segregation of duties between the Chairman and the Managing Director. It also states the processes and procedures for board meetings.</p> <p>The Board established a number of Board Committees whose compositions and terms of reference are consistent with the Malaysian Code on Corporate Governance 2017. The following Board Committees were established to assist the Board in discharging its duties:-</p> <ul style="list-style-type: none">a) The Audit Committeeb) The Nomination Committeec) The Remuneration Committeed) The Corporate Disclosure Committeee) The Risk Management Committee <p>The terms of reference of the above Board Committee are uploaded on the Company's website at http://wellcallholdings.com. The composition and a summary activities of the Board Committees are set out separately in the Audit Committee Report and the Corporate Governance Statement in the Annual Report of the Company for the financial year ended 30 September 2018.</p> <p>The Board Charter also assists the Board in the assessment of its own performance and that of its individual directors. The Board undertook to review the Board Charter annually to ensure it was in accordance with the Group's objectives and responsibilities. The Board Charter is also set out the role of the Senior Independent Director.</p> <p>The Board is reviewing and updating the Board Charter to comply with the Malaysian Code on Corporate Governance 2017. The Board Charter</p>

	<p>is to be updated in accordance with the needs of Wellcall Group and any new regulations that may have an impact on the discharge of the Board's responsibilities to ensure its effectiveness. The Board Charter can be viewed at the Company's website at http://wellcallholdings.com.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has formalised a Directors' Code of Ethics and Conduct ("Code") that is incorporated in the Board Charter, which sets out the standard of conduct expected of Directors, with the aim to cultivate good ethical conduct that permeates throughout Wellcall Group through transparency, integrity, responsibility and corporate social responsibility.</p> <p>This Code describes the standards of business conduct and ethical behaviour for the Board in the performance of their duties as the Board of Wellcall Group or when representing Wellcall Group.</p> <p>The Board observed and implemented ethical work values stated in the Code, Ethics and Conducts. This Code shall be reviewed by the Board when necessary by the Board. The Board also established proper communication and feedback channels for all employees and stakeholders to allow them to voice any concerns in accordance to the Whistle Blowing Policy and Fraud Policy. The Whistle Blowing Policy is available on the Company's website at http://wellcallholdings.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has approved and issued the Whistle Blowing Policy. This policy is available at the Wellcall Group's corporate website http://wellcallholdings.com.</p> <p>This policy provides avenues for employees to raise concerns, report any breach of the Code and define a way to handle these concerns and breaches. It also enables the Management to be informed at an early stage about acts of misconduct. More importantly, it reassures employees that they will be protected for disclosing concerns/breaches in good faith in accordance with this procedure. It promotes a culture of openness, accountability and integrity.</p> <p>The Whistle Blowing Policy is reviewed periodically together with the Board Charter and the Code in the Board Meeting in each year. Since it was last approved, the Board has concluded that the current policy is still valid and relevant.</p> <p>In addition, the Board has established a Fraud Policy to facilitate the development of control which will aid in detection and prevention of fraud against the Group and to promote consistent organisational behaviour by providing guidelines and assigning responsibilities for the development of controls and conduct of investigations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.1

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>Wellcall Group is supportive of the objective and independent deliberation review and decision making.</p> <p>Currently, the Board comprises of ten (10) Directors, with five (5) out of ten (10) Directors being Independent Directors. The Chairman is an Independent Non-Executive Director and one of the Executive Directors is the Group Managing Director. The composition of the Board meets the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, of at least one-third (1/3) of the Board being independent. The Board comprises half of Independent Directors represents fifty per centum (50%) of the Board.</p> <p>The composition and size of the Board is reviewed annually to ensure its appropriateness and effectiveness.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	: Applied - Two Tier Voting
Explanation on application of the practice	<p>The five (5) Independent Directors had passed their self-assessment and assessment conducted by the Nomination Committee. All Independent Non-Executive Directors had complied with the definition of Independent Directors as defined on the Listing Requirements of Bursa Malaysia Securities Berhad for Main Market.</p> <p>The Company has adopted the following evaluation process for independent Non-Executive Directors of the Company:-</p> <ul style="list-style-type: none">a) The Independent declaration form will distribute to all independent Non-Executive Directors for completionb) Each Independent Non-Executive Directors will perform a self review on his independence by completing the formc) The completed forms will be collected and submitted to the Nomination Committee for evaluationd) Nomination Committee will review the results of the completed forms based on the assessment criteria approved by the Boarde) Evaluation and Findings from the Nomination Committee will be presented to the Board for deliberation <p>The five (5) Independent Non-Executive Directors, demonstrated independent, and their length of service on the Board of 12 years 9 months, 8 years 1 month, 7 years, 7 years and 3 years 9 months respectively. Their lengths of services did not in any way impair their independent status and interfere with the exercise of objective judgement or their ability to act in the best interests of the Company. They still preserved their independent positioning between the management and the external auditors of the Group during their tenure of office.</p> <p>However, from the assessment, it was found that the mentioned Director remained objective and independent in expressing his views and participating in deliberations and decision making of the Board and Board Committees.</p>

	<p>The Nomination Committee and the Board have determined upon their annual assessment that :-</p> <ol style="list-style-type: none"> 1) <i>Mr. Yang Chong Yaw, Alan was appointed as an Independent Non-Executive Director on 17 April 2006 and he have served the Company for more than nine (9) years as at the date of the notice of 13th AGM; and</i> 2) <i>Mr. Goh Hoon Leum was appointed as an Independent Non-Executive Director on 8 December 2010 and his nine (9) years tenure would expire on 8 December 2019.</i> <p><i>However, Mr. Yang Chong Yaw, Alan and Mr. Goh Hoon Leum have met the independence guideline as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board upon the recommendation from the Nomination Committee of the Company, therefore, considers Mr. Yang Chong Yaw, Alan and Mr. Goh Hoon Leum to be Independent and recommends that :-</i></p> <ol style="list-style-type: none"> a) <i>Mr. Goh Hoon Leum to remain as an Independent Non-Executive Director subject to the approval from the shareholders of the Company; and</i> b) <i>Mr. Yang Chong Yaw, Alan to remain as an Independent Non-Executive Director subject to the approval from the shareholders of the Company through a two-tier voting process pursuant to Practice No. 4.2 of the Malaysian Code on Corporate Governance 2017.</i> <p>The Board will seek shareholders' approval to retain them as Independent Non-Executive Directors at the 13th Annual General Meeting. A 2-tier voting process would be carried out as proposed in this new practice under the Malaysian Code on Corporate Governance 2017</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee is responsible for reviewed and assessed the mix of skills, expertise, composition, size, experience and effectiveness of the Board and its Committees.</p> <p>The Nomination Committee has evaluated the diversity of the Board and senior management in future recommendations and appointments, diversity would be taken into account. However, the Nomination Committee and the Board both have same view that the appointment of directors and the senior management should base on merits without giving regards to the gender of the appointed directors. They recognized that the selection of the board members shall be based on competency, ability and leadership quality.</p> <p>The annual analysis carried out by the management on the total workforce of the Group by gender, age and races as shown in page 35 of the Company's Annual Report for the financial year ended 30 September 2018 is to uphold the diversity plan and our succession plan.</p> <p>This process ensure that the Board membership accurately reflects the long-term strategic direction and needs of Wellcall Group while it determines the skills matrix needed to support the strategic direction and needs of Wellcall Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is supportive of gender diversity in the Board composition and Senior Management. Hence, the Board had always been in support of a policy of non-discrimination on the basis of race, religion and gender. Therefore, the Board does not set the limit of the women representation in the Board of the Company. Indeed, the Board recognized that the selection of the board members shall be based on competency, ability, leadership quality and qualification, particularly candidates with specialized knowledge of the industrial sector that meet the Group's needs.</p> <p>The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with the competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of Wellcall Group.</p> <p>In year 2018, the Board has appointed Ms. Huang Yu Fen as the first woman Director in Wellcall Group, thereby the woman representation in the Board of the group of companies has been increasing.</p> <p>The Board through the Nomination Committee will consider the gender diversity as part of its future selection and will endeavour to appoint suitably qualified woman Director.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board through the Nomination Committee will consider the gender diversity as part of its future selection and will look into increasing female board representation and Management Team as well in year 2019.
Timeframe	:	Others

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

Application	:	Applied
Explanation on application of the practice	:	<p>In evaluating the suitability of candidates to the Board and senior management, the Nomination Committee considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Directors.</p> <p>The Company has established a succession policy. The Board will use a variety of approaches and sources to ensure that it is able to identify the most suitable candidates. This may include internal promotion or recommendation from the existing Board member or external sourcing such as the use of independent search firms, where necessary.</p> <p>During the year, Ms. Huang Yu Fen was promoted to be appointed as the Executive Director of the Wellcall group of companies after taking into consideration her competency, ability, leadership quality and qualification, seniority, particularly she possesses the knowledge of the Company's industrial sector that meet the Group's needs.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.7

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee comprises three (3) Independent Non-Executive Directors, namely Mr. Yong Peng Tak, Mr. Goh Hoon Leum and Mr. Yang Chong Yaw, Alan. It appointed Mr. Yong Peng Tak as the Senior Independent Non-Executive Director to chair the Nomination Committee and to facilitate communications with any stakeholders not dealt with by the Chairman, Group Managing Director or the Executive Directors of the company.</p> <p>The Nomination Committee is empowered by the Board and its Terms of Reference to bring to the Board recommendations as to the appointment of new Directors and to lead the succession planning and to lead the annual review of board effectiveness, ensuring that the performance of each individual director is independently assessed. The Nomination Committee met twice during the financial year to consider the appointment of Ms. Huang Yu Fen and to carry out the annual review of the board effectiveness and the Independence status of the Independent Directors. The Terms of Reference of the Nomination Committee is available on the Company's website at http://wellcallholdings.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee conducted its annual evaluation and appraisal on the effectiveness of the Board, its Committees and the contribution of each Board. The evaluation comprised assessment by individual Board and assessment of individual's independence as an Independent Director. The Company has adopted the following evaluation process for independent Non-Executive Directors of the Company:-</p> <ul style="list-style-type: none"> a) The Independent test and declaration form will distribute to all Independent Non-Executive Directors for completion b) Each Independent Non-Executive Directors will perform a self review on his independence by completing the form c) The completed forms will be collected and submitted to the Nomination Committee for evaluation d) Nomination Committee will review the results of the completed forms based on the assessment criteria approved by the Board e) Evaluation and Findings from the Nomination Committee will be presented to the Board for deliberation <p>The assessment of individual Board is based on specific criteria, covering areas such as Board composition and structure, principal responsibilities of the Board, the Board process, succession planning and Board governance.</p> <p>Key findings are set out in the Corporate Governance Statement in the Annual Report 2018.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee of the Company established a remuneration policy framework and made recommendations to the Board on remuneration packages and other terms of employment for Executive Directors. The terms of reference of the Remuneration Committee are clearly defined by the Board to its members. The salient terms of reference of Remuneration Committee were as follows:-</p> <ul style="list-style-type: none">• To review and assess the remuneration packages of the Executive Directors and Senior Management in all forms, with or without other independent professional advice or other outside advice.• To review annually and recommend to the Board the overall remuneration policy for all Directors and Senior Management commensurate with their contributions to the Company's growth and profitability; and that the remuneration policy supports the Company's objectives and shareholder value and reflects the Company's culture and strategy.• To review annually the performance of the Executive Directors and Senior Management before recommending to the Board any adjustment in remuneration and /or reward payments, that reflected their contribution for the year.• To ensure the levels of remuneration were attractive in order to retain relevant directors who could run the Company successfully.• To structure the component parts of remuneration that linked rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level at a particular time. The Directors' remuneration shall be determined based on the following criteria of the level of responsibility and frequency of meetings.• To recommend to the Board of Directors the remuneration

	<p>packages for Executive Directors, and Senior Management.</p> <ul style="list-style-type: none"> • To act in line with the directions of the Board of Directors. • To consider and examine such other matters as the Remuneration Committee considers appropriate. <p>The Remuneration Committee dealt with all issues pertaining to the Directors' remuneration package. The Committee only seek advice from independent advisers when necessary to carry out its duties and responsibilities effectively. The remuneration packages for Executive Directors were structured to link rewards to corporate and individual performance. For Non-Executive Directors, the levels of remuneration were dependent on the experience and level of responsibilities. The Executive Directors were abstained from discussing their own remuneration. The remuneration of Non-Executive Directors is handled by the Board as a whole. The individuals concerned abstained from discussion and decision of his/her remunerations.</p> <p>The Company has opted not to disclose each Directors' remuneration as the Board considers the information to be sensitive and proprietary.</p>
<p>Explanation for departure</p>	<p>:</p> <p>Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p> <p>Choose an item.</p>

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee has three (3) members comprising of a majority of the Independent Non-Executive Directors.</p> <p>The Remuneration Committee is responsible for setting the policy framework and makes recommendation to the Board on all elements of remuneration and terms of employment of Executive Directors and Senior Management. The Board has established a remuneration framework and policy and made recommendations to the Board on remuneration packages and other terms of employment for Executive Directors.</p> <p>The Remuneration Committee met at least once (1) a year to carry out an annual review of the overall remuneration policy for Directors whereupon recommendations were submitted to the Board for approval. During the meeting, the results of the Directors' performances are evaluated and rated by the Nomination Committee before it was presented to the Remuneration committee. The Remuneration Committee and the Board ensure that the Company's remuneration policy supported the Company's corporate objectives and was aligned with the interest of shareholders. Hence, the Remuneration policy was drawn up to reflect the business strategy and long term objectives of the Group. It demonstrated the Board commitment as the remuneration packages were based on achievement according to specific conditions. There was a formal and transparent procedure for rewarding and adjusting remuneration packages for directors.</p> <p>The Remuneration Committee reviewed the performance of all Executive Directors and the Chairman of the Company. The Remuneration Committee and the Board strove to reward Directors based on accountability, fairness, and competitiveness, as prescribed in the Malaysia Code on Corporate Governance 2017 ("MCCG 2017"). The Remuneration Committee ensure that the remuneration packages of</p>

	<p>Directors were adequately attractive to attract and to retain persons of high calibre. The Board was aware that a fair remuneration was critical to attract, retain and motivate Directors. The remuneration of Non-Executive Directors comprises fees while the remunerations package of Executive Directors comprises of a basic salary, fees and bonuses.</p> <p>Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting decisions in respect of his/her individual remuneration.</p> <p>The Terms of Reference of the Remuneration Committee is summarised in the Remuneration Meeting as part of the presentation on the framework and process in arriving at the proposed remuneration packages for the Board. In addition, a summary of the process and parties involved in arriving at the proposed remuneration packages is disclosed in this Corporate Governance Statement and is available in the Company's website at http://www.wellcallholdings.com.</p>	
Explanation for departure	:	Please provide an explanation for the departure.
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Over the years, Wellcall Group's Directors' remuneration is disclosed in an aggregate manner. The Directors are in the opinion that detailed disclosure for remuneration of individual directors are highly sensitive.	
		The Board will consider the need to disclose remuneration of the Directors as this is considered as a confidential and sensitive information to Wellcall Group.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will review annually the need to disclose remuneration of the Directors.	
Timeframe	:	Others	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The industrial rubber hose industry in global market as well as in Malaysia is highly competitive. The competitiveness level has increased further in recent years with the slowing down of, coupled with the uncertainty in the overall global market sentiment, which has resulted in the supply chain capacity exceeds the market demand. Hence, it has reinforced the attractiveness of market talent pool in other industries.</p> <p>In view of the sensitivity for talent search in the competitive market and to the best interest of Wellcall Group, the Board opt not to disclose on named basis, the remuneration of top five (5) senior management. It is also due to confidentiality and concerns over poaching by competitors and head hunters; and in line for Wellcall Group to support in retaining talent pool of human capital for Wellcall Group.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	Others

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee comprises of four (4) members who are Non-Executive Directors of the Company. Three (3) members are Independent Directors and one (1) is a Non-Independent Non-Executive Director.</p> <p>The Audit Committee Chairman is Mr. Goh Hoon Leum, an Independent Non-Executive Director. He is appointed to be the Chairman of the Audit Committee on 8 December 2010 and Mr. Goh Hoon Leum is not the Chairman of the Board.</p> <p>The Chairman of the Board is Datuk Ng Peng Hong @ Ng Peng Hay, an Independent Non-Executive Director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.2

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Independence is seen as a critical input to an effective Board. No policy has been set by the Board that requires a former key audit partner to observe a cooling-off of at least two years before being appointed as a member of the Audit Committee as none of the members of the Board or the Audit Committee members were former key audit partners since the incorporation of the Company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee is responsible for the annual assessment of the competency and independence of the external auditors. Having assessed their performance, the Audit Committee will recommend their re-appointment to the Board, who will then seek the shareholders' approval at the AGM.</p> <p>The external auditors are required to declare their independence annually to the Audit Committee as specified by the By-Laws of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.</p> <p>The external auditors, Ong & Wong have provided the confirmation in their Final Report to those charged with governance presented to the Audit Committee of Wellcall Group. The Audit Committee undertook an annual evaluation of the performance, suitability, independence, professionalism and remuneration of Ong & Wong. In its evaluation, the Audit Committee considered several factors, which included adequacy of experience and resources of the firm and the professional staff assigned to the audit together with the independence of Ong & Wong for the financial year ended 30 September 2018.</p> <p>Being satisfied with Ong & Wong's performance, independence and suitability, the Audit Committee recommended the re-appointment of Ong & Wong as external auditors of Wellcall Group for the financial year ended/ending 30 September 2018 and 2019 respectively. The Board at its meeting approved the Audit Committee's recommendation for the approval to be obtained at the 13th AGM on the re-appointment of Ong & Wong as external auditors of the Group for the financial year ending 30 September 2019.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the Audit Committee have a mix of commercial, asset fund management, financial skills and accounting experience.</p> <p>All members of the Audit Committee have undertaken continuous professional development to keep themselves abreast of relevant development in accounting and auditing standards, practices and rules. During the year 2018, the Audit Committee members had attended various training courses.</p> <p>Besides, during the Audit Committee meetings, all the members were updated by the external auditors, Ong & Wong on the key areas of Financial Reporting developments, adoption of Malaysian Financial Reporting Standards, Malaysian Code on Corporate Governance and other changes in regulatory environment.</p> <p>Additionally, Audit Committee were also briefed by the internal auditors pertaining to the updates and recent development on corporate governance as well as on Goods and Service Tax ("GST") and Sales and Service Tax ("SST").</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to maintaining a sound system of internal control and risk management in Wellcall Group.</p> <p>The Board is responsible for Wellcall Group's system of internal control and risk management, including the establishment of an appropriate control environment and framework as well as reviewing its adequacy and effectiveness. In view of the inherent limitations in any system of internal controls, such a system is designed to manage rather than eliminate the risk of failure to achieve business and corporate objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal controls covers, inter alia, risk management and financial, organisational, operational and compliance controls.</p> <p>The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by Wellcall Group in its achievement of objectives and strategies. The review on the adequacy and effectiveness of the risk management and internal control system has been undertaken by the Board.</p> <p>The Board has put in place a Risk Management Framework for Wellcall Group which is overseen by the Audit Committee with the support from the Risk Management Committee.</p> <p>Further information on Wellcall Group's risk management and internal control framework is made available on the Statement on Risk Management and Internal Control of the Annual Report 2018.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The Group continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments. Details of the Group's risk management and internal control system are set out in the Statement on Risk Management and Internal Control of the Annual Report 2018.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>Wellcall Group has engaged an external independent party as an internal auditor to perform internal audit, whose primary function is to assist the Audit and Risk Management Committee (“ARMC”) to carry out respective functions effectively.</p> <p>An annual assessment of the effectiveness and independence of the outsourced internal audit function has been conducted by the Audit Committee (“AC”) for the financial year ended 30 September 2018. The AC has opined that the outsourced internal audit team had carried out their duties objectively, impartially and independently in accordance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing.</p> <p>The internal audit activities are guided by the approved internal audit plans, which is on risk-based approach focusing on various processes based on risks identified. Upon auditing, the internal auditors summarized work done and present the internal audit reports together with Management’s responses addressing the audit findings and recommendations to the AC on quarterly basis. Follow up actions by internal auditors for audit findings based on Management responses are being followed up on each cycle of audit field work visit.</p> <p>The Audit Committee is satisfied that the outsourced internal audit team has maintained a high degree of independence and professionalism in carrying out their duties, and able to provide value added services to Wellcall Group.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of Wellcall Group is outsourced to an external consultant who reports directly to the Audit Committee. The principal role of the internal auditors is to undertake independent, regular and systematic reviews of the risk management, internal controls and corporate governance system so as to provide reasonable assurance that such systems are operating and continue to operate satisfactorily and effectively.</p> <p>The internal audit is led by a qualified partner and managers as well as experience personnel to carry out the internal audit functions and activities, which is in line with the International Professional Practices Framework issued by the Institute of Internal Auditors.</p> <p>The internal audit partner is a fellow member of The Association of Chartered Certified Accountants, member of the Malaysian Institute of Accountants, chartered member of the Institute of Internal Auditors Malaysia and Certified Internal Auditor (USA). He has a vast experience and exposure in auditing as well as corporate governance to act as an independent partner. An evaluation on the competency and interviews have been carried out prior to the engagement of the internal auditors.</p> <p>The internal audit partner and his team constantly attending conferences, trainings and seminars to keep abreast with the current professional developments on technical and non-technical aspects. This is to ensure that they remain qualified and able to sustain competency in carrying out internal audit functions and activities.</p> <p>The internal audit firm is free from any relationships or conflict of interest with Wellcall Group, the Board and the Board Committees, which would not impair their objectivity and independence.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of maintaining active communication with its shareholders and other stakeholders, and timely dissemination of information concerning the Group's business performance. The Board adheres to the disclosure principles to provide investors and the public with information with element of transparency, timely, fairness, continuity and high quality disclosure of material information to the public, except where commercial confidentiality dictates otherwise. The Board ensures that confidential information is handled properly by authorised personnel to avoid leakage and improper use of such information. The Board is also mindful that information which is expected to be material must be announced immediately.</p> <p>The Board ensures the Wellcall's AGM are conducted in an efficient manner in order to serve as the principal forum for dialogue and interaction with the shareholders of Wellcall. Shareholders are encouraged to present their views pertaining to the operational and financial performance of Wellcall Group. The Chairman plays a pivotal role in fostering constructive dialogue during the AGM.</p> <p>Shareholders and proxies are briefed on the voting procedures by the poll administrator and an independent external party is appointed as scrutineers for the poll voting process. The Chairman announced the voting results of all the resolutions tabled before the closure of the AGMs and the results are released to Bursa Malaysia after the AGMs to enable public to know the outcome thereof. The summary of AGM proceedings is also made available on the Wellcall's website.</p> <p>Wellcall Group has been consistently been able to publish and circulate its Annual Reports on a timely manner. The Notice of 13th AGM is circulated at least 28 days before the date of AGM, to enable shareholders to thoroughly review the Annual Report. Such active step of serving the Notice of AGM is earlier than the minimum notice period allows the shareholders to have ample time in planning their meeting attendance as well as to enable institutional shareholders who hold shares through custodians, to communicate voting instructions to the custodians and ensure that these are acted upon.</p>

	<p>The Board also upholds the importance of keeping shareholders, investors, research analyst, fund managers, bankers and the press abreast of the Wellcall Group's performance, operationally, financially as well we on corporate developments. Shareholders may contact the Financial Controller for investors' updates via periodic dialogues and presentation slides. Contact details for investors' relation are published in the Wellcall's website.</p> <p>Additionally, the Wellcall has formed a Corporate Disclosure Committee represented by the Executive Director, alternate Director and the Financial Controller. The Corporate Disclosure Policy is available on the Wellcall's website at http://wellcallholdings.com.</p> <p>Wellcall's website also serves as one of the means of communication with the shareholders and the general public as information pertaining to disclosures required by the and made to Bursa Malaysia are published herein. These include interim and full year financial results, Annual Report, other announcements on relevant transactions. The website also contains relevant information such as Company Profile, History, Corporate Mission & Vision, Products, Corporate Information, Financial Information, Bursa Announcements, Group Policies, Terms of References for Audit Committee, Nomination Committee and Remuneration Committee, Awards & Rewards, Photo Gallery and dedicated Contact Personnel for general inquiries, business inquiries as well as investors' relation respectively.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable as Wellcall is not one of the large companies as defined in the MCCG 2017.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company been able to circulate its Notice of the 13th Annual General Meeting (“AGM”) to the shareholders at least 28 days prior to the date of the AGM, well in advance of the 21 days requirement under the Companies Act 2016 and Main Market Listing Requirements (“MMLR”) of Bursa Securities.</p> <p>Such active step of serving the Notice of AGM is earlier than the minimum notice period allows the shareholders to have ample time in planning their meeting attendance as well as to enable institutional shareholders who hold shares through custodians, to communicate voting instructions to the custodians and ensure that these are acted upon.</p> <p>The Notice of AGM is accessible by the shareholders via Bursa Malaysia Securities Berhad’s website and Wellcall’s website. The Notice of AGM is also been advertised in one (1) nationally circulated daily newspapers, that is, The Star.</p> <p>Wellcall also provides details of the AGM to the shareholders regarding the eligibility of the shareholders, their rights to appoint proxies and other relevant information pertaining to the AGM. Additionally, explanatory notes providing detailed explanations for each resolution to be tabled to enable the shareholders to make informed decisions in exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>In the past, All the Directors of the Company have attended the Annual General Meetings (“AGM”) of the Company. At the forthcoming AGM of Wellcall held on 25 February 2019, all the eleven (11) Directors, including one (1) alternate Director will expect to attend the AGM. Amongst the Directors, the Chairman of the Audit Committee, Nomination Committee, Remuneration Committee, Corporate Disclosure Committee and Risk Management Committee respectively as well as the Senior Independent Non-Executive Director present on stage to provide response to questions addressed to them.</p> <p>The proceedings of the AGM included addressing all issues raised by the shareholders in relation to the operational and financial performance of Wellcall Group and further clarifications of the proposed resolutions, before putting to vote.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied
Explanation on application of the practice	:	<p>The AGM is held within the vicinity of the city of Malacca, easy accessibility location to facilitate shareholders' mobility. Shareholders are entitled to appoint proxy/proxies to attend, speak and vote on their behalf in their absence at the AGM in accordance with the relevant provisions of the Memorandum and Articles of Association. Copies of the proxy forms are available in the Company's website and the Annual Report circulated.</p> <p>In view of the relatively small number of shareholders and that the Company's AGM are not held in remote area, voting in absentia and remote shareholders' participation are not facilitated, as advocated in MCG 2017's Practice 12.3.</p> <p>All shareholders or proxy/proxies are required to register themselves with the Share Registrar prior entering to the AGM. Shareholders and proxies are briefed on the voting procedures by the poll administrator and external party is appointed as scrutineer for the electronic poll voting process.</p> <p>The poll voting result of all the resolutions tabled in the AGM is published at the Bursa Malaysia's and the Wellcall's website at http://www.bursamalaysia.com and http://wellcallholdings.com respectively and it is accessible by public.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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