WELLCALL HOLDINGS BERHAD (“THE COMPANY”)
(COMPANY NO: 707346-W)

ENTERPRISE RISK MANAGEMENT POLICY

ENTERPRISE RISK MANAGEMENT

The Board places strong dedication and commitment of the highest standards towards effective enterprise risk management in-line with best practices in corporate governance guided by the Malaysian Code of Corporate Governance (“MCCG”). An enterprise risk management approach aligns strategy, processes, people, technology and knowledge with the purpose of evaluating and managing potential risks that the Company may be exposed to. It enhances and encourages the identification of opportunities through continuous improvement and innovation. In order to effectively manage the Company’s risks, the Board of Directors shall appoint a Risk Management Committee which discharges their duties in accordance with the Enterprise Risk Management Policies.

RISK MANAGEMENT STATEMENT

Wellcall Holdings Berhad is committed to an effective enterprise risk management framework to ensure sustainable business growth and promote a proactive approach in reporting, evaluating and managing risks associated within the Company, in-line with a risk framework agreed to and accepted by the Risk Management Committee and approved by the Board of Directors.

TERMS OF REFERENCE

1. Membership

The Board of Directors shall elect the Risk Management Committee members, **comprising the General Manager and all Head of Department of Wellcall Holdings Berhad and its group of companies**. The term of office of the Risk Management Committee shall be determined by the Board of Directors from time to time.

2. Chairman

The Chairman of the Risk Management Committee shall be elected from amongst the Risk Management Committee. In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Meeting.

3. Secretary

The Company Secretary or his nominee or any members of the Risk Management Committee duly appointed by the Risk Management Committee shall be the Secretary of the Risk Management Committee.

4. Meetings

The Risk Management Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least **twice a year** or more frequently as deemed necessary. The Chairman may call for additional meetings at any time as he deemed fit or necessary. The Risk Management Committee may participate in a meeting of the Risk Management Committee by means of conference telephone, conference videophone or any similar or other communication equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

5. Notice

The Secretary shall on the requisition of the members of the Risk Management Committee summon a meeting of the Risk Management Committee except in the case of an emergency, reasonable notice of every Risk Management Committee meeting shall be given in writing.

6. Quorum

A quorum shall consist of two (2) members. The Risk Management Committee at which a quorum is present is considered to be competent for the exercise of its authorities, powers and discretions vested upon it.

7. Minutes

The Secretary shall minute the proceedings and resolutions, including the names of all attendees. Draft minutes of the Risk Management Committee meetings shall be circulated promptly to all members of the Risk Management Committee. Once approved, minutes should be circulated to all other members of the Board of Directors of the Company, unless a conflict of interest exists.

8. Authority

The Risk Management Committee is empowered and authorised by the Board of Directors at the expense of the Company:

(a) to review, evaluate and investigate any matters within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group;
(b) to have the resources in order to perform its duties as set out in its terms of reference;
(c) to have full and unrestricted access to any information pertaining to the Company and the Group;
(d) to have direct communication channels with the employees, external auditors and internal auditors;
(e) to obtain external legal or other independent professional advice where necessary; and
(f) to invite outsiders with relevant experience to attend its meetings, whenever deemed necessary

9. Duties and Responsibilities

The duties and responsibilities of the Risk Management Committee are as follows:

a) To review, evaluate, manage and monitor the Company and the Group risks;
b) To oversee the implementation of risk governance; with reporting lines to the risk governance structure, as established by the Board of Directors of the Company;
c) To recommend to the Audit Committee and the Board of Directors the embedding of a holistic risk management framework in all aspects of the group's activities;
d) To recommend to the Audit Committee and the Board of Directors of the Company the risk management and control policies for the business;
e) To ensure timely and regular receipt the reports from management of principal risks and that appropriate follow-up measures are implemented on a timely basis;
f) To monitor the Group or the Company to implement an effective ongoing process to identify risk, to measure the potential impact against a broad set of assumptions, and then to activate what is necessary to proactively pre-empt or manage these risks;
g) To assist the Board of Directors of the Company to formulate a risk culture for the Company.

ENTERPRISE RISK MANAGEMENT POLICIES

Application

This document is intended to provide guidance on implementing an effective Enterprise Risk Management (ERM) program for the Company. The basic principles outlined in these ERM Policies and the methodology and process adopted will need to be modified and appropriately scaled to reflect any changes in the size and complexity of the Company's operations. This will include the range of products and services offered to its customers, capital structure, geographical coverage, business strategies and technology.

As the Company grows in size and complexity, the ERM program should evolve to ensure that all significant new, emerging and increased risks are appropriately considered and addressed as part of the ongoing review and assessment process.

Definitions

Risk: is the chance that an event, trend or course of action will have either a positive or negative effect on the Company's ability to meet its strategic or operational objectives.

Risk Management: is an on-going process involving the Company's Board of Directors, management and employees. It is a systematic approach to setting the best course of action to manage uncertainty by identifying, analysing, assessing, responding to, monitoring and communicating risk issues/events that may prevent the Company from successfully achieving their business objectives.

Risk Analysis: is the process of determining the likelihood of a particular event, trend or course of action occurring and the impact on operational or strategic objectives if it does.

Risk Tolerance: sometimes known as risk appetite, is the level of risk the Company is willing to accept for any event, trend or course of action. Risk tolerance will vary depending on the potential effect of the risk on the Company's operational or strategic objectives.

Risk Treatment: sometimes known as risk control, is the measures used to modify the risk to fall within the Company's risk tolerance for that risk. Options include accept, mitigate, transfer or avoid the event, trend or course of action.

Risk Register: a list of identified enterprise risks which documents the risk analysis, risk scores, risk treatments, ERM Committee direction, results of risk treatments and status of each risk.

Risk Management Officer: is normally identified as the person responsible to coordinate and oversee management of the ERM process and approve reports to the Audit Committee.

Purpose

The purpose of this policy is to:

a) Incorporate a consistent approach to risk management into the culture and strategic planning processes of the Company that supports decision making and resource allocation at both the operational and strategic levels.

b) Apply a consistent approach to risk management to support the company's governance responsibilities for innovation and responsible risk taking, policy development, programs and objectives. In all cases, appropriate measures would be put in place to address unfavourable impacts from risk and favourable impacts from opportunities.

c) Manage a transparent approach to risk that leads to open and meaningful communication and monitoring of all key risks that balances the cost of managing risk with the anticipated benefit.

Scope

This policy applies to all plans, activities, business processes, policies, procedures, individuals and properties that comprise the Company enterprise.

Policy Statement

The Company engages in all its activities which give rise to some level of risk. It is the Company's policy to:

a) Embed risk management into the culture and operations of the Company.

b) Integrate enterprise risk management into strategic planning, activity planning, performance management and resource allocation decisions.

c) Manage risk and leverage opportunities in accordance with best practices.

d) Regularly re-assess the Company's risk profile and effectiveness of risk treatments in the context of the various strategic plans.

e) Anticipate and respond to changing social, environmental and legislative requirements.

Responsibilities

Board of Directors: is responsible for oversight of the ERM Program to ensure that the ERM process is used to develop and achieve the strategic objectives of the Company as documented in all strategic plans.

Executive Director: is responsible to ensure that all executives and risk owners integrate ERM into the development of strategic plans and operational decisions and to report on the Company's enterprise risk profile to the Board of Directors annually.

Risk Management Committee: is responsible to identify emerging enterprise risks, prioritise identified enterprise risks, direct or approve risk treatments, allocate sufficient resources to implement risk treatments, monitor the results of risk treatments, review and update the risk register in preparation for the semi-annual Board reports and ensure that ERM is integral to strategic goal setting and decision making.

Risk Management Officer: is responsible to manage the ERM Program. This involves monitoring best practices and standards, working with executives and risk owners to analyse both operational and enterprise risks and develop effective risk treatments, regularly updating and/or renewing the risk register and coordinating risk management education and training.

Risk Owners: are managers typically responsible for one or more functions and are directly responsible to implement risk treatments as directed by the Risk Management Committee. Risk owners are responsible for maintaining good internal controls, managing their operational risks and advising their superiors for any risks in their profile that cannot be managed operationally and should be submitted to the ERM program.

All Employees: are responsible for effectively managing risks in their area of responsibility and identifying and advising their manager for potential risks.

Risk Management Process

ERM is an on-going and cyclical process. The Board of Directors and senior management set the tone for ERM in the Company. This includes establishing the Company's risk appetite and how risks will be identified, measured and managed.

The five primary steps in the Company's risk management process are as follows:

i) Risk Identification
ii) Risk Assessment and Measurement
iii) Risk Response and Treatment
iv) Monitoring
v) Reporting

It is also important to ensure that the ERM process and risks are re-evaluated and updated on an on-going basis to reflect new information and experiences so that all significant risks are appropriately identified and addressed and that any material opportunities are not overlooked.

i) **Risk Identification**

Identification of risks should occur on an on-going basis for existing processes and on an ad-hoc basis as required for new product introductions, projects or changes contemplated to existing products and processes. There are several techniques that may be used to help identify risks including self-assessment questionnaires, surveys, workshops and interviews. To help with risk identification, risks should be considered within main risk categories such as strategic , credit, financial, operational and compliance risks.

ii) **Risk Assessment and Measurement**

Risk assessment includes consideration of the likelihood of a risk occurrence and the impact of a risk on the achievement of the Company's objectives within a specified time frame. The likelihood of occurrence is based on the probability or frequency the risk might occur over the specified time frame such as once a quarter, daily, twice a year, etc. A higher probability or frequency of the event occurring will result in higher risk weightings. An event that is expected to occur sooner rather than later will also result in a higher likelihood. The impact of occurrence is often stated as a dollar value of loss or percentage of impact on earnings or capital, but can also be described in qualitative terms (e.g. reputation, service quality, regulatory compliance, etc.) that could result if the risk event occurred. The magnitude or severity of a risk is based on the product of its likelihood and impact. In summary the risk assessment process can be illustrated under Appendix A. Besides this, further explanation pertaining to risk analysis is contained under Appendix B.

iii) **Risk Response and Treatment**

For each identified risk, the Company should establish an appropriate "response" option in order to optimise risk management. These generally range from accept to avoid. Four possible response options are identified as follows:

a)Accept: The Company decides to accept, manage and monitor the level of risks and take no action to reduce the risk.

b)Mitigate: The Company is willing to accept some risk by implementing control processes to manage the risk within established tolerances.

c)Transfer: The Company chooses to transfer the risk to a third party. (e.g. obtaining insurance)

d)Avoid: The Company feels the risk is unacceptable and will specifically avoid the risk (e.g. cease selling a product)

Generally, if the magnitude or severity of the risk under consideration is high, the risk response needs to be strong (mitigate, transfer or avoid). Each risk and related response should be assigned to the manager who is responsible for the area affected by the risk. As part of the response process, management should determine and document what actions (prevention or detection) are necessary to manage the risk.

iv) **Monitoring**

Risks and risk response activities should be monitored by the responsible manager to ensure that significant risks remain within acceptable risk levels, that emerging risks and gaps are identified and that risk response and contraol activities are adequate and appropriate. Internal Audit and the Audit Committee play an important oversight role in confirming that management is monitoring and managing risks in accordance with established levels. Indicators that fall outside of acceptable risk levels should be escalated with appropriate action plans to bring the risk back within established risk levels. Those risks that still remain above acceptable risk levels should be considered by the Board for their approval of any necessary resolution strategies. This activity will form the basis for reporting to the Board and on-going monitoring by management.

It is also helpful to "quantify" the appropriate exposure of significant risks (or specified subset of risks) in terms of potential impact on capital. While this is often subjective and may be difficult to determine, it does help indicate any material change in risk levels from one period to another and could identify potential risk that may not otherwise be fully noted. It also helps to confirm that the level of aggregate risk exposure is within the established risk appetite of the Company as established in this policy.

v) **Reporting**

The Board of Directors, Audit Committee and senior management will require the results of the ERM process to be reported to them and in their oversight capacity to gain assurance that the risks are being managed within approved risk levels.

At a minimum, ERM reports to the Audit Committee and/or the Board of Directors should:

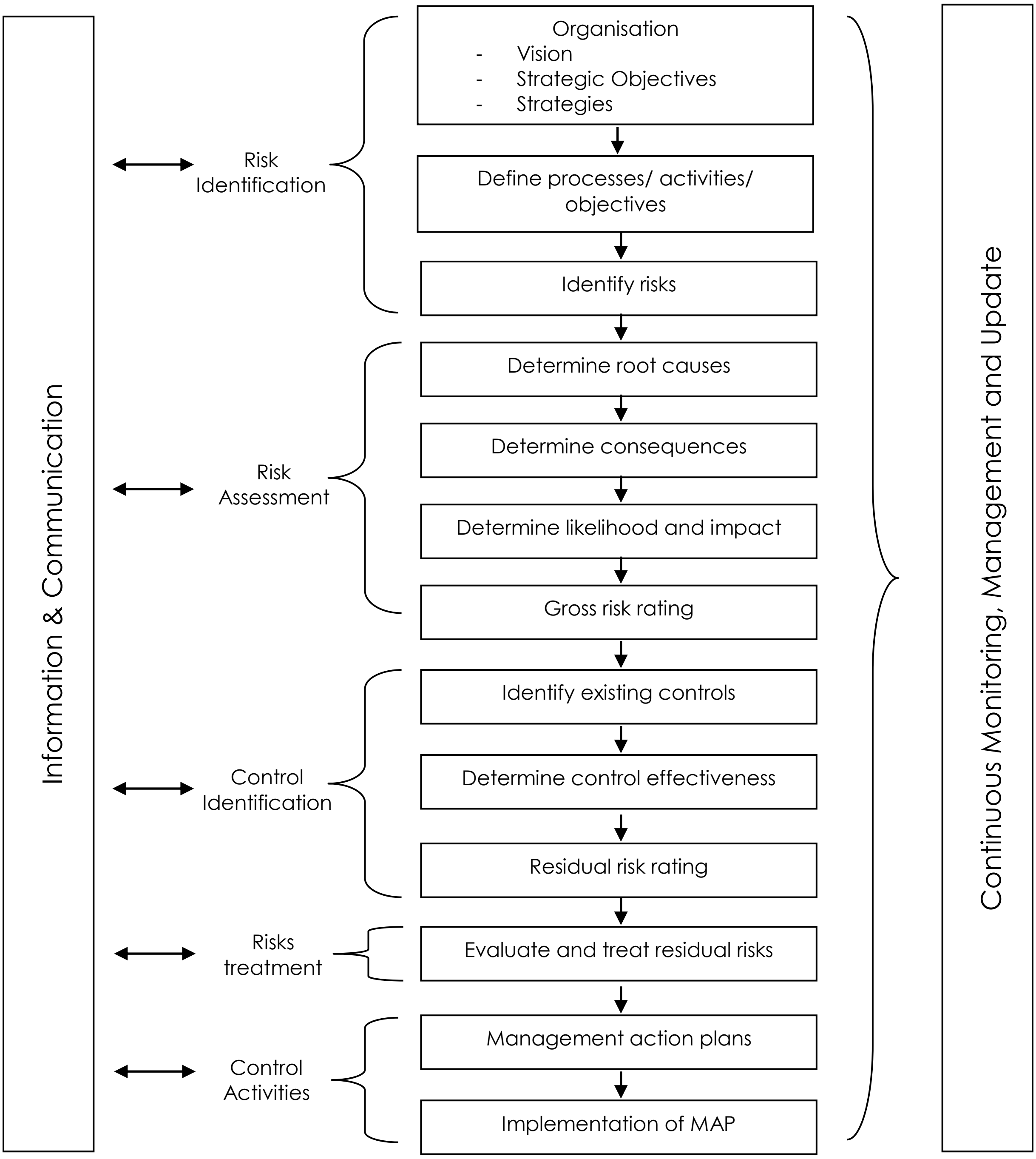
a) summarise the nature and magnitude of significant risks;
b) highlight all significant risks and those risks that exceed their acceptable risk levels;
c) identify the timeframe and status of any additional risk management activities that may be required to bring risks within appropriate risk levels;
d) identify any negative trends of higher risk areas and any changes to risk management activities;
e) highlight any new risks including their risk assessment, risk response and management activities;
f) identify any material emerging risks; and
g) summarise any exception to established policies or limits for key risks.

On a periodic basis, the Board of Directors should review all high risk areas (even those that are appropriately mitigated within acceptable levels) in order to have a full understanding of all the significant risk facing the Company.

APPENDIX A

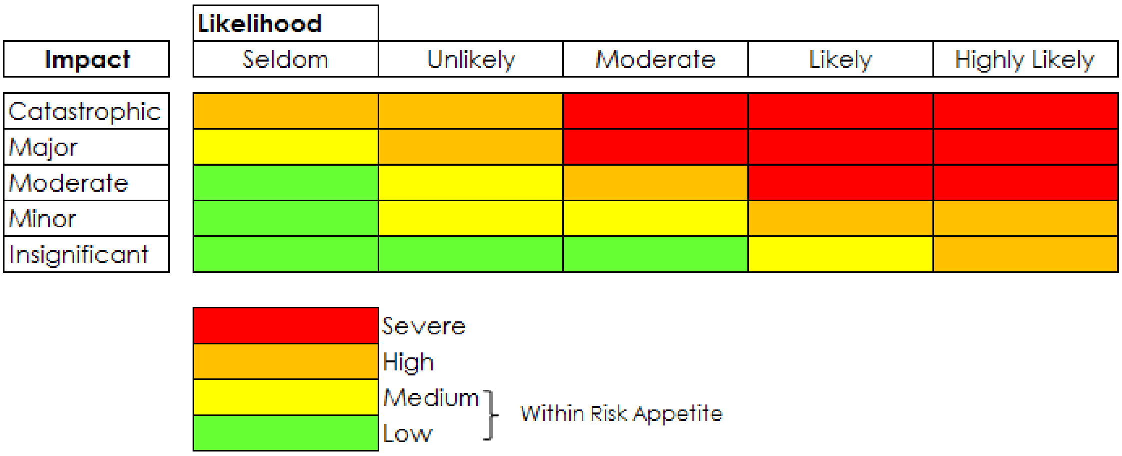
RISK ASSESSMENT PROCESS

The risk assessment process is illustrated by the following diagram:



RISK ANALYSIS

It is acknowledged that there is a certain level of risk to be undertaken in business and the Board determines the level of risk acceptance is "Low" and "Medium" level as follows:



The Group's level of acceptance will be annually reviewed to reflect the changes in the Group's external environment and business operations.

Date: 24 August 2016