

WELLCALL HOLDINGS BERHAD

Reg. No. 200501025213 (707346-W)

RELATED PARTY TRANSACTIONS POLICY AND PROCEDURES

1.0 INTRODUCTION

Wellcall Holdings Berhad (“Wellcall” or the “Company”) and its subsidiary (“the Group”) would, in ordinary course of business, enter into transactions of revenue or trading nature with a related party or parties.

2.0 OBJECTIVES

- (a) This policy is designed to ensure the related party transactions (RPT) are carried out in the ordinary course of business, are made at arm’s length and on normal commercial terms which are not more favourable to the related party or parties than those generally available to the public and are not on terms that are detrimental to the minority shareholders of Wellcall.
- (b) This policy also aims to comply with the Part E, Paragraph 10.08 and 10.09 of the Listing Requirements of Bursa Malaysia Securities and other applicable laws.

3.0 DEFINITIONS

- (a) **“Audit Committee”** shall mean the Audit Committee of Wellcall.
- (b) **“Board”** shall mean the Board of Directors of Wellcall.
- (c) **“Bursa Securities”** shall mean Bursa Malaysia Securities Berhad.
- (d) **“Director”** has the meaning given in section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon: -
 - (i) a director of the listed issuer, its subsidiary or holding company; or
 - (ii) a chief executive of the listed issuer, its subsidiary or holding company.
- (e) **“Wellcall”** or **“Company”** shall mean Wellcall Holdings Berhad.
- (f) **“Wellcall Group”** or **“the Group”** shall mean Wellcall, its subsidiary and its joint venture company.
- (g) **“Family”** in relation to a person means such person who falls within any one of the following categories:
 - (i) spouse;
 - (ii) parent;
 - (iii) child including an adopted child and step-child;
 - (iv) brother or sister; and
 - (v) spouse of the person referred in point g (iii) and (iv) above.
- (h) **“Listing Requirements”** shall mean Main Market Listing Requirements of Bursa Securities.

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- (i) **“Major Shareholder”** includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon - a major shareholder of the listed issuer as defined under Rule 1.01 of Listing Requirement or any other corporation which is its subsidiary or holding company.
- (j) **“Person connected”** in relation to a Director or Major Shareholder, means such person who falls under any one of the following categories: -
 - (i) a family member of the Director or Major Shareholder;
 - (ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director or Major Shareholder, is the sole beneficiary;
 - (iii) a partner of the Director or Major Shareholder, or a partner of a person connected with that Director or Major Shareholder;
 - (iv) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - (v) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - (vi) a body corporate or its Directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - (vii) a body corporate or its Directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
 - (viii) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
 - (ix) a body corporate which is a related corporation.
- (k) **“Recurrent Related Party Transaction”** or **“RRPT”** shall mean a related party transaction which is recurrent, of revenue or trading nature, which is necessary for day-to-day operations of the Company or its subsidiaries and which has been made or will be made by the Company and/or its subsidiaries in the course of its business.
- (l) **“Related Party(ies)”** shall mean Director, Major Shareholder or person connected with such Director or Major Shareholder of the Company, its subsidiary or holding company.

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- (m) “**Related Party Transaction**” or “**RPT**” shall mean a transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a related party.
- (n) “**Transaction**” shall mean the acquisition, disposal or leasing of assets, the establishment of joint ventures, the provision of financial assistance, the provision or receipt of services or any business transaction or arrangement entered into, by the Company or its subsidiaries but excludes transactions entered into between the Company (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary.

4.0 IDENTIFICATION OF RELATED PARTIES

- (a) The list of Related Parties (which is not exhaustive) will be compiled and kept by the Finance Department and circulated within the Group (i.e. Finance Department and its head of subsidiaries, or joint venture company) annually.
- (b) Wellcall and its subsidiary are advised to understand and familiarise themselves with the list of Related Parties when entering into any transaction.
- (c) In the event that the proposed transaction is to be entered into with any of the Related Parties as identified in the list of Related Parties, such proposed transaction shall be reported to the Finance Department to ascertain the compliance requirements under the Listing Requirements.

5.0 REPORTING PROCESS AND APPROVING AUTHORITY FOR RPT AND RRPT

- (a) RPT
 - (i) Before entering into a transaction, the originator/buyer must notify and furnish the details of contract/agreement/transaction to the Finance Department for verification of whether it is a RPT.
 - (ii) The Finance Department will compute the percentage ratio in accordance with formulas that are provided in the Listing Requirement as set out in **Appendix I** and ensure the compliance requirements as set out in **Appendix II**.
 - (iii) The Audit Committee and the Board shall satisfy that the Transaction is: -
 - in the best interest of the Company;
 - fair, reasonable and on normal commercial terms; and
 - not detrimental to the interest of the minority shareholders.
 - (iv) Submit the announcement for the RPT to the Board for deliberation and approval based on Audit Committee’s recommendation

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- (v) If a member of the Audit Committee or the Board or the Board of Wellcall's subsidiaries or joint venture company has any interest (direct or indirect), in the RPT, he/she shall:
 - declare his/her interest in the RPT and abstain from any deliberation and decision making by the Audit Committee or the Board or Wellcall's subsidiaries or joint venture company in respect of such RPT and continue to abstain from voting on the resolution approving the RPT; and
 - undertake that he/she will ensure that persons connected with him/her abstain from voting on the resolution deliberating or approving the proposal at the general meeting.
 - (vi) The Company Secretary will maintain, update and to ensure that all relevant announcements are released to Bursa Securities accordingly.
 - (vii) All RPTs will be reviewed by the management and Audit Committee and reported to the Board on quarterly basis to ascertain that the procedures and guidelines established to monitor the RPTs have been complied with.
 - (viii) The Internal Auditor to review the Register of RPTs on quarterly basis.
 - (ix) The Finance Department shall report the RPTs to the Audit Committee and the Board on a quarterly basis and to disclose any material RPTs in the quarterly report to Bursa Securities.
- (b) RRPT
- (i) Before entering into a transaction, the originator/buyer must notify and furnish the details of contract/agreement/transaction to the Finance Department for verification of whether it is a RRPT. The Finance Department will:
 - maintain and update the RRPTs;
 - monitor the threshold of the RRPT and ensure that an immediate announcement is made if: -
 - the consideration, value of the assets, capital outlay or costs of RRPT is RM1 million or more: or
 - the percentage ratio of the RRPT is 1% or more;whichever is the higher;

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- monitor the threshold of the RRPT (if any) and ensure that an immediate announcement is made when the actual value of RRPT exceeds the estimated value of the RRPT disclosed in the circular (shareholders' mandate for RRPT, if any) by 10% or more;
 - monitor to comply any other threshold effected by Bursa Securities or any other related regulatory authorities.
- (ii) All RRPTs will be reviewed by the management and Audit Committee and reported to the Board on quarterly basis to ascertain that the procedures and guidelines established to monitor the RPTs have been complied with.
- (iii) Internal Auditor to review the RRPTs on quarterly basis.
- (iv) The pricing for services and products to be provided/supplied and/or received will be determined based on the Group's business practices and policies to ensure that prices and terms and conditions are based on competitive prices of similar products and services in the open market.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms.

- (v) offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.
- (vi) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transactions price will be based on prevailing market rates/prices that are agreed based on usual business practices and policies and on terms which are generally in line with industry norms in order to ensure that the RRPT is not detrimental to the Company or the Group.
- (vii) All RRPT transactions shall be reviewed and approved by the Audit Committee and the Board before the transaction is entered into.
- (viii) The Audit Committee shall review the findings of internal audit reports relating to the RRPT (if any).
- (ix) Any member of the Audit Committee may, as he/she deems fit, request for additional information pertaining to the transaction from independent sources or advisers, including obtaining of valuation from professional valuers or advisers.
- (x) If a member of the Audit Committee or the Board or the Board of Wellcall's subsidiaries or joint venture company has any interest (direct or indirect), in the RRPT, he/she shall:

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- declare his/her interest in the RRPT and abstain from any deliberation and decision making by the Audit Committee or the Board or the Board of Wellcall's subsidiaries in respect of such RRPT and continue to abstain from voting on the resolution approving the transactions; and
 - Undertake that he/she will ensure that persons connected with him/her abstain from voting on the resolution deliberating or approving the proposal at the general meeting.
- (xi) The Finance Department shall report to the Audit Committee and the Board on the RRPT on a quarterly basis and disclose RRPT in the quarterly report to Bursa Securities.
- (xii) Wellcall may seek a mandate from its shareholders for the RRPTs subject to the following: -
- the transactions are entered into in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
 - the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than prescribed threshold;
 - the Company's circular to shareholders for the shareholders' mandate includes such information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a compliance checklist;
 - at the general meeting to obtain the shareholders' mandate, the interested related party must abstain from voting on the resolution approving the RRPT. An interested related party must ensure that the persons connected with him abstain from voting on the resolution in respect of RRPT;
 - Wellcall must immediately announce to Bursa Securities when the actual value of a RRPT, exceeds the estimated value of the RRPT as disclosed in the circular by 10% or more and must include such information as may be prescribed by Bursa Securities in its announcement; and

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- Where Wellcall has procured the shareholders' mandate, the provisions of Rule 10.08 of the Listing Requirements on the RPT shall not apply.

6.0 THRESHOLD FOR APPROVAL

The threshold for RRPT transactions will be determined by Audit Committee on a yearly basis, subject to the provisions in the Listings Requirements and/ or the Act, where necessary. Where any Director has an interest (direct or indirect) in any RRPT, such Director shall abstain from deliberation and voting on the matter.

7.0 MAINTENANCE OF RECORDS

- (a) The Company Secretary shall keep the list of Related Parties and Directors and Major Shareholders' declaration forms and a copy each to be extended to the Finance Department.
- (b) The Company Secretary shall keep the RPTs and RRPTs and ensure proper maintenance and retention of documentation. Such documentation should be readily accessible to regulators and other interested parties.

8.0 MODIFICATION

The Audit Committee and the Board reserve the right to modify or amend this Policy at any time as it may deem necessary in order to align the policy with Listing Requirements, the Companies Act 2016, the latest Malaysian Code on Corporate Governance and any other applicable laws enforced at the time being.

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Appendix I

PERCENTAGE RATIOS

Percentage ratios are figures, expressed as a percentage, used to determine the materiality of RPT resulting from each of the following calculations:

- (a)
$$\frac{\text{The Value of the Assets which are subject matter of the transaction}}{\text{Net Assets of the listed issuer}}$$
- (b)
$$\frac{\text{Net Profits of the assets which are subject matter of the transaction}}{\text{Net Profits attributable to the owners of the listed issuer}} \\ \text{(before other comprehensive income of loss)}$$
- (c)
$$\frac{\text{The Aggregate Value of the consideration given or received in relation to the transaction}}{\text{Net Assets of the listed issuer}}$$
- (d)
$$\frac{\text{The Equity Share Capital issued by the listed issuer as consideration for an acquisition}}{\text{Equity Share Capital Previously in Issue (excluding treasury shares)}}$$
- (e)
$$\frac{\text{The Aggregate Value of the Consideration given or received in relation to the transaction}}{\text{Market Value of all the Ordinary Shares of the listed issuer (excluding treasury shares)}}$$
- (f)
$$\frac{\text{The Total Assets which are the subject matter of the transaction}}{\text{Total Assets of the listed issuer}}$$
- (g) (i) In respect of joint ventures, business transactions or arrangements:
$$\frac{\text{The Total Project Cost Attributable to the listed issuer}}{\text{Total Assets of the listed issuer}}$$
- (ii) In respect of the Joint Venture Corporation is incorporated as result of the joint venture:
$$\frac{\text{The Total Equity Participation of the Listed Issuer in the joint venture corporation}}{\text{Net Assets of the listed issuer}} \\ \text{(based on the eventual issued capital of the joint venture corporation)}$$
- (h)
$$\frac{\text{The Aggregate Original Cost of Investment of the subject matter of transaction}}{\text{Net Assets of the listed issuer}} \\ \text{(in the case of a disposal and where the acquisition of the subject matter took place within 5 years)}$$

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REQUIREMENTS FOR RPT

Percentage ratios in respect of the Transaction	Requirements
Less than 0.25% Consideration is in cash or unquoted shares. Consideration is wholly or partly in securities of Public Listed Corporation	<ul style="list-style-type: none">➤ No announcement is required.➤ Immediate announcement (Appendix 10A & 10C of Listing Requirements).
Equal to or exceeds 0.25% but less than 5%	<ul style="list-style-type: none">➤ Immediate announcement (Appendix 10A & 10C of Listing Requirements).➤ In a separate letter setting out percentage ratios applicable to the such transaction.
Equal to 5% but less than 25%	<ul style="list-style-type: none">➤ Immediate announcement (Appendix 10A & 10C of Listing Requirements).➤ In a separate letter setting out percentage ratios applicable to the such transaction.➤ Appoint Independent Adviser before the terms of the transaction are agreed upon.➤ Submit a Circular to Bursa Securities together with a compliance checklist (Appendix 10B & 10D of Listing Requirements).➤ Issue Circular and seek shareholders' approval. <p><i>* (An interested director/major shareholder and their persons connected must abstain from voting)</i></p>

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REQUIREMENTS FOR RPT (Cont'd)

Percentage ratios in respect of the Transaction	Requirements
25% or more	<ul style="list-style-type: none">➤ Immediate announcement (Appendix 10A & 10C of Listing Requirements).➤ In a separate letter setting out percentage ratios applicable to the such transaction.➤ Appoint Independent Adviser and Main Adviser before the terms of the transaction are agreed upon.➤ Submit a Circular to Bursa Securities together with a compliance checklist (Appendix 10B & 10D of Listing Requirements).➤ Issue Circular and seek shareholders' approval. <p><i>* (An interested director/major shareholder and their persons connected must abstain from voting)</i></p>

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