

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6351
COMPANY NAME : Amway (Malaysia) Holdings Berhad
FINANCIAL YEAR : December 31, 2021

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>The Board of Directors of Amway (Malaysia) Holdings Berhad ("Amway" or "the Company") and its subsidiaries (collectively "the Group") continues to provide strategic oversight of the Company in fulfilment of its fiduciary duties as stipulated in Section 211 (1) and (2) and Section 213 (1) and (2) of the Companies Act 2016.</p> <p>In fulfilling its role, the Board is guided by its Board Charter and respective Terms of Reference ("TOR") for its committees, which clearly set out the roles and responsibilities of the Board including matters reserved for the Board's approval, and those which the Board may delegate to the Board Committees, Managing Director ("MD") and Senior Management.</p> <p>The Board is guided by the following in the execution of its duties:</p> <ul style="list-style-type: none">• Board Charter;• Board and Key Senior Management Diversity Policy;• Policy on Succession Planning for Board and Key Senior Management;• Remuneration Policy for Board and Key Senior Management;• Code of Conduct and Ethics, Whistleblower Policy and Anti-Bribery and Corruption Policy;• Enterprise Risk Management Policy, Internal Audit Charter and Policy on External Auditors; and• Investors Relations Policy. <p>The Board, via the Audit Committee ("AC"), looks to effectively address its risk exposure and audit matters. The AC also ensures that audit and accounting practices are in line with recognised accounting practices such as the Malaysian Financial Reporting Standards ("MFRS") and the International Financial Reporting Standards.</p> <p>Through the Nominating Committee ("NC"), Amway's Board evaluates the existing skillsets of the Board members including the ability to understand financial statements and form a view on the information presented, recommends new individuals for directorship as well as assesses the performance of the Directors on an ongoing basis.</p>

	<p>The Remuneration Committee (“RC”) ensures that the remuneration plans for the Executive Director, Non-Executive Directors and Key Senior Management appropriately reflect the different roles and responsibilities and are comparable to industry benchmarks.</p> <p>There is clear separation of matters between those that are under the purview of the Board and those which have been delegated to Senior Management to oversee and execute.</p> <p>The Board, on an annual basis, reviews and approves the annual business strategies and operating plans, financial budget and capital expenditure budget and receives regular reports from Senior Management as to whether the plan and budgets will be met by the year end.</p> <p>While the Board plays an active role in determining the Group’s broad-based strategies, it has delegated to Senior Management the responsibility to develop appropriate tactical plans and initiatives to achieve set business goals and targets.</p> <p>The MD together with Senior Management drive the strategic day-to-day management of the Group. They are responsible for translating strategic objectives, policies and goals set by the Board into tangible business targets or Key Performance Indicators (“KPIs”), as well as for the realisation of these through actionable business plans.</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>Tan Sri Faizah Binti Mohd Tahir is the Chairperson of the Board and also the Senior Independent Non-Executive Director ("Senior INED") of the Company.</p> <p>The Chairperson has clearly defined roles which are distinct from the MD's duties. These include but are not limited to the following:</p> <ul style="list-style-type: none">• Leading the Board in establishing and instilling good corporate governance practices in the Group;• Maintaining regular dialogue with the MD over operational matters and consulting with the remaining Board members promptly over any matters that give the Chairperson cause for major concern;• Leading Board meetings and discussions and acting as a facilitator at Board meetings to ensure that no member, whether executive or non-executive, dominates discussions; that the appropriate discussions take place; and that relevant opinions amongst members are forthcoming. The Chairperson shall ensure that discussions result in logical and understandable outcomes;• Encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;• Setting the Board agenda and ensuring Board members receive complete and accurate information in a timely manner;• Managing the interface between the Board and Management;• Ensuring that general meetings support meaningful engagement between the Board, Key Senior Management and shareholders; and• Representing the Board to shareholders and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole. <p>In November 2021, the Chairperson together with the other Non-Executive Directors held a private session among themselves without the presence of the MD and Senior Management to discuss strategic, governance and operational issues. No significant issues were noted from the discussion.</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>Amway has different individuals holding the positions of Chairperson and MD.</p> <p>The position of Chairperson is held by Tan Sri Faizah Binti Mohd Tahir while the position of MD is held by Mr. Michael Jonathan Duong.</p> <p>The role of the Chairperson has been outlined in Practice 1.2 with further details provided in the Board Charter.</p> <p>The role of the MD, in essence is to effectively lead the Group to execute its agreed business strategy towards the realisation of targets and objectives set by the Board. The MD may set operational targets and KPIs, chart the day-to-day direction of the business, and essentially look into the operational aspects of Amway. At the same time, the MD ensures that the Group operates within the risk appetite set by the Board.</p> <p>The MD, in his role, is supported by the Senior Management. He reports to the Board and provides updates on the Group's performance. From time to time, he may recommend changes to the business and operational strategy in response to the external business environment and the needs of the Group.</p> <p>The MD also sits as an Executive Director on the Board. This is to ensure he is able to better execute his duties and report to the Board as well as serve as the intermediary between the Board and Senior Management.</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

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 Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>Tan Sri Faizah Binti Mohd Tahir who is the Chairperson of the Board, was a member of the AC and RC until 25 August 2021. Upon the conclusion of the AC and RC meetings on 25 August 2021, Tan Sri Faizah resigned as a member of both AC and RC In line with Practice 1.4.</p> <p>Following her resignation as a member of the AC, Tan Sri Faizah participated in the AC meeting by way of invitation on 17 November 2021. This was deemed a departure from Practice 1.4 as it did not align with the above explanatory note on the application of the said Practice.</p> <p>Moving forward into FY2022, Tan Sri Faizah will no longer attend any of the Board Committee meetings by way of invitation in alignment with the explanatory note on the application of Practice 1.4.</p>
<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 1.5

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>The Company continues to employ the services of two (2) Company Secretaries, namely Ms. Wong Wai Foong and Ms. Kuan Hui Fang, who together offer the Group more than 20 years of cumulative company secretarial experience.</p> <p>Both individuals have served Amway for a period spanning more than five (5) years and are well versed in the Group's overall business strategy and operations as well as the overall goals set by the Board with regard to strengthening corporate governance, risk management and improving the overall management and administration of the Group.</p> <p>The Company Secretaries are tasked with advising the Board on matters pertaining to the Company's Constitution as well as ensuring Board policies and procedures are in accordance with set rules and regulations. Their functions include (but are not limited to):</p> <ul style="list-style-type: none">• Advising the Board of their duties and responsibilities;• Advising the Board on corporate disclosures and compliance with the Companies Act 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad;• Ensuring that Board procedures and applicable rules are observed during meetings;• Attending and recording minutes of the Board and Board Committees meetings and facilitating communications;• Maintaining records of the Board and Board Committees and ensuring effective management of the Company's statutory records;• Monitoring corporate governance developments and assisting the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations;• Managing processes pertaining to the annual general meetings and general meetings;• Ensuring execution of assessment for Directors, Board and Board Committees;

	<ul style="list-style-type: none"> • Advising the Directors of their obligations to disclose their interests in securities, any conflicts of interest and related party transactions; • Advising the Directors of prohibition on dealing in securities during the closed period and restrictions on disclosure of price sensitive information; and • Providing unhindered advice and services for the Directors as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance. <p>At least one of the Company Secretaries has attended all Board and Board Committees' meetings. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging their functions.</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 1.6

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>The annual meeting calendar is circulated before the financial year end to enable Directors to plan their time to accommodate all Board or Board Committee meetings as well as the Company's Annual General Meeting ("AGM") for the coming year.</p> <p>Notices of Board meetings and meeting agendas are prepared in writing by the Company Secretaries in consultation with the Board Chairperson and distributed to the Directors at least five (5) business days in advance, or over a shorter period, if the need arises. Extra care is taken to ensure adequate time is allocated for the Board's deliberation of issues at the meeting.</p> <p>Board and Board Committee papers prepared by Management and the Company Secretaries are presented in a concise manner and are furnished to Directors and Board Committee members at least five (5) business days in advance to allow the Directors sufficient time to review the documents.</p> <p>Notification is sent to the Management which includes the deadline for submission of meeting materials.</p> <p>At least one of the Company Secretaries has attended all Board and Board Committee meetings. The Company Secretaries ensure that meetings are properly convened, and that accurate and proper records of the proceedings including any dissenting views and resolutions passed are maintained accordingly. Meetings of the Board and the Board Committees are recorded and circulated to Board members.</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

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 of Amway has a Board Charter which clearly details the fiduciary duties of Directors. It also outlines the roles of the various Board Committees as well as policies, governance and leadership matters including matters reserved for the Board.</p> <p>The roles and responsibilities of the Board of Directors, Chairperson, MD, Executive and Non-Executive Directors, Independent Non-Executive Directors ("INEDs") and Company Secretary are clearly outlined in the Board Charter.</p> <p>The Board Charter is revised from time to time in tandem with changes in regulations and best practices. It was last updated in August 2021 to incorporate the recommended practices set out in the updated Malaysian Code on Corporate Governance 2021 ("MCCG 2021") issued by the Securities Commission Malaysia on 28 April 2021.</p> <p>The Board Charter is available on the Company's website at www.amway.my.</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 3.1

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>Amway has adopted a clear Code of Conduct and Ethics which covers the expected practices or forms of behaviour with regard to transparency, accountability and disclosure of information, bribery, conflicts of interest, breach of privacy/confidentiality, insider trading, fair dealing and anti-competition, as well as improper use of company assets, compliance with laws, rules and regulations and so on.</p> <p>The purpose of the Code of Conduct and Ethics is to ensure that all employees and Directors maintain and enforce the highest standards of professional conduct in the performance of their duties and throughout the Group.</p> <p>All new employees are briefed on the Code of Conduct and Ethics during their induction into the Group. All employees are required to declare that they have received, read and understood the provisions of the Code of Conduct and Ethics as well as have agreed to comply with its terms throughout their employment.</p> <p>In addition to the Code of Conduct and Ethics, Amway has also established the Anti- Bribery and Corruption ("ABAC") Policy which sets out the Group's position on bribery and corruption in all its forms and provides principles, guidelines, and requirements on relevant matters.</p> <p>The ABAC Policy applies to the Board of Directors, employees of the Group and Business Associates, including external parties who perform work or services for or on behalf of the Group. The Risk Management Committee ("RMC") shall have the oversight on the implementation and monitoring of the compliance controls related to the ABAC Policy.</p> <p>The Code of Conduct and Ethics and ABAC Policy are available on the Company's website at www.amway.my.</p>
Explanation for departure	:	

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

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>Amway's Whistleblower Policy has been in place since 2012. The Policy provides for a robust and confidential mechanism for staff, vendors or any other stakeholders to reveal any forms of malpractice or misconduct, or any form of behaviour that is deemed to contravene Amway's Code of Conduct and Ethics.</p> <p>Under the Policy, the whistleblower can disclose any impropriety in good faith while enjoying confidentiality of his/her identity and protection from victimisation, harassment or disciplinary action for his/her disclosure.</p> <p>The AC is responsible for oversight of the Whistleblower Policy while administration of the policy is performed by the Group's legal counsel.</p> <p>The Whistleblower Policy provides contact details of the following person as one of the avenues for employees or relevant parties to raise concerns of non-compliance.</p> <p>AC Chairman, INED En. Abd Malik Bin A Rahman Email: AmwayMalaysiaAuditChair@gmail.com</p> <p>The Whistleblower Policy is available on the Company's website at www.amway.my.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is cognisant of the growing importance of business sustainability and its role in creating long-term value for stakeholders. The Board, together with Management, are ultimately responsible for the governance of sustainability in the Group, inclusive of the formulation of strategies, priorities and targets.</p> <p>The year in review also saw Amway setting up a Sustainability Committee and appointing a consultant to assist in developing a groupwide Sustainability Framework to integrate the principles of sustainability into the Group's strategies, policies and procedures.</p> <p>The Group is intent on creating a culture of sustainability within the Group, with a focus on incorporating the economic, environmental, social and governance ("EESG") considerations into the decision making and business processes, as well as to address material sustainability risks and opportunities. The formation of the Group's Sustainability Framework, together with the related policies and procedures is currently ongoing. The plan is for the Board to complete and adopt the Framework and the related elements in FY2022.</p> <p>Please refer to the Sustainability Statement within Amway's Annual Report 2021 for further information.</p>
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Please refer to the explanation set out in Practice 4.1 and further information in the Sustainability Statement within Amway’s Annual Report 2021.	
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Please refer to the explanation set out in Practice 4.1 and further information in the Sustainability Statement within Amway's Annual Report 2021.	
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Please refer to the explanation set out in Practice 4.1 and further information in the Sustainability Statement within Amway’s Annual Report 2021.	
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Given that Amway is not categorised as a Large Company, the Company has not adopted the above Practice for the financial year.

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>During FY2021, the NC undertook the following activities pertaining to the assessment of the Board's composition and tenure of Directors:</p> <ul style="list-style-type: none"> • Reviewed and assessed the mix of skills, experience, size and composition of the Board of Directors; • Reviewed and assessed the effectiveness of the Board as a whole, as well as the Committees of the Board, and the contribution of each individual Director including his/her time commitment, character, experience, integrity and competency; • Reviewed the tenure of the Directors; and • Reviewed and recommended the re-election of Mr. Low Han Kee, Dato' Abdullah Thalith Bin Md Thani and En. Abd Malik Bin A Rahman who were subject to retirement by rotation. <p>In August 2021, the Board approved the updated TOR of the NC, the Policy on Succession Planning for Board and Key Senior Management, as well as the Board and Key Senior Management Diversity Policy to ensure alignment with the MCG 2021.</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

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

Practice 5.2

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>In line with its Board Charter, Amway has maintained at least 50% independent board composition.</p> <p>The Board has eight (8) Directors, comprising one (1) Executive Director (Managing Director or MD) and seven (7) Non-Executive Directors. Of the seven (7) Non-Executive Directors, four (4) are Independent Directors. This composition complies with Practice 5.2 and exceeds the one-third (1/3) requirement as set out under the Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The current Board composition is as follows:</p> <ul style="list-style-type: none">• Tan Sri Faizah Binti Mohd Tahir (Chairperson, Senior INED);• Mr. Michael Jonathan Duong (MD);• Dato' Abdullah Thalith Bin Md Thani (INED);• En. Abd Malik Bin A Rahman (INED);• Datin Seri Azreen Binti Abu Noh (INED);• Mr. Low Han Kee (Non-INED);• Mr. Scott Russell Balfour (Non-INED); and• Pn. Aida Binti Md Daud (Non-INED).
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 5.3

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 provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	None of Amway's INEDs have reached the maximum nine-year tenure of service as stipulated under the Practice.	
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 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Given that Amway is not categorised as a Large Company, the Company has not adopted the above Practice for the financial year.

Intended Outcome

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

Practice 5.5

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.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the NC, and guided by the Policy on Succession Planning for Board and Key Senior Management as well as the Board and Key Senior Management Diversity Policy, is responsible for ensuring that the best possible talent is brought into the Board and the Key Senior Management team based on Amway's unique business requirements and the competitive industry landscape in which it operates.</p> <p>Essentially, Amway requires a diverse, multi-skilled and vastly experienced Board consisting of individuals with a wide range of skillsets, competencies and corporate backgrounds.</p> <p>In identifying, assessing and recommending candidates to the Board, the NC shall take into account the following key considerations:</p> <ul style="list-style-type: none">(a) Skills, experience, age, cultural background and gender to achieve boardroom diversity;(b) Professionalism and track record;(c) Ability to devote sufficient time commitment;(d) Contribution and performance;(e) Character, integrity, ability to lead by example and competence;(f) Ability to understand financial statements and form a view on the information presented; and(g) In the case of candidates for the position of INED, the NC shall also evaluate the candidates' independence and ability to discharge such the duties and responsibilities as are expected of an INED. <p>The NC will also consider the composition requirements for the Board and Board Committees (if the candidate is recommended to be appointed to any of the Board Committees).</p> <p>In addition, the NC is mindful that a company is discouraged from appointing an active politician as a Director on the Board in line with the guidance under Practice 5.5. In tandem with this, there are no politicians who have been appointed as Directors on the Amway Board.</p>

	<p>The Company Secretaries also provide regular updates at the Board meetings on the directorships of all Directors in both listed and non-listed companies. This will help to ensure that Directors are able to allocate sufficient time to discharge their duties and at the same time comply with Paragraph 15.06 of the Listing Requirements which allows a Director to sit on the boards of five (5) listed issuers. At present, none of the Directors on Amway's Board have more than five (5) directorships in listed issuers.</p> <p>The appointments of Key Senior Management positions shall be based on objective criteria and merit, with due regard given to diversity in skills, experience, age, cultural background, gender, qualification, competency, track record, and leadership quality, among other traits. In addition, such appointments shall made be in line with the internal policies adopted by the Group, keeping in view the Group's mission, vision, strategies and objectives.</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

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

Practice 5.6

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.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC undertakes a comprehensive search in the sourcing of new Directors so as to ensure the dynamic injection of fresh ideas and perspectives on a regular basis to Board discussions. This helps to maintain a healthy balance between the experience of existing Directors and the fresh ideas brought in by new members.</p> <p>While the NC is not averse to considering recommendations from Directors, Management or major shareholders, directors' registry and independent search firms, it supplements its search process via other means. This includes tapping professional networks and associations, using recruitment agencies, as well as considering the views of using board members of other public listed companies.</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 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company was not in a position to disclose the information recommended in Practice 5.7 in its Statement Accompanying the Notice of the 26 th Annual General Meeting since the Notice was issued to shareholders on 23 April 2021, whereas the updated MCCG 2021 was only issued by the Securities Commission Malaysia on 28 April 2021. Moving forward, the Company will provide the relevant information as set out in Practice 5.7 in its Statement Accompanying the Notice of the 27 th Annual General Meeting scheduled to be issued to shareholders on 22 April 2022.	
<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 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the NC is held by Dato' Abdullah Thalith Bin Md Thani, an INED.</p> <p>Dato' Abdullah leads the NC in identifying and recommending suitable individuals for appointment as Directors of the Board and Board Committees, reviewing the Board's succession planning as well as assessing the performance of the Directors.</p> <p>The current NC composition is as follows:</p> <ul style="list-style-type: none">• Dato' Abdullah Thalith Bin Md Thani (Chairman, INED);• En. Abd Malik Bin A Rahman (Member, INED); and• Mr. Scott Russell Balfour (Member, Non-INED).
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 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Throughout FY2021, three (3) Directors including the Chairperson, out of the eight (8) Board members were women, meaning women Directors comprised 38% of Amway's Board.	
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 5.10

The board discloses in its annual report the company’s policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>In August 2021, the Board updated its Boardroom Diversity Policy and expanded this to encompass diversity for key senior management. The enhanced Board and Key Senior Management Diversity Policy incorporates a requirement that there be at least 30% women representation on the Board, and that the Group strives to have at least 20% representation by women in Key Senior Management positions.</p> <p>Presently, both targets have been achieved whereby three (3) out of eight (8) Board members or 38% are women, and three (3) out of five (5) Key Senior Management positions, or 60%, are held by women.</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 6.1

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 its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>						
Application	:	Applied				
Explanation on application of the practice	:	Annually, the Board assesses the effectiveness of its members and committees via the Board Evaluation Exercise ("BEE"). The BEE was carried out internally by completion of questionnaire and evaluation forms by the Directors without the engagement of an independent expert. Criteria used by the NC for the assessment included the following:				
		<table border="1"> <thead> <tr> <th>Criteria for Board Evaluation</th> <th>Criteria for Individual Director Evaluation</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Evaluation of organisation performance against industry norms and measurement of performance indicators; Achievement of Board objectives, quality of decisions (value-adding, relevance); Ability to conduct business honestly, ethically and professionally; Effective committee structures; Frequency and duration of board meetings; quality of board papers; relevance and completeness of agendas; </td> <td> <ul style="list-style-type: none"> Commitment in terms of time and effort; Attendance at Board meetings; Ability to offer insights, add value and contribute with personal knowledge and experience; Honesty, integrity, professional conduct or business ethics of the Director; Provides logical opinions and constructive suggestions into the decision-making process; and Being well prepared and adding value to Board/Committee meetings. </td> </tr> </tbody> </table>	Criteria for Board Evaluation	Criteria for Individual Director Evaluation	<ul style="list-style-type: none"> Evaluation of organisation performance against industry norms and measurement of performance indicators; Achievement of Board objectives, quality of decisions (value-adding, relevance); Ability to conduct business honestly, ethically and professionally; Effective committee structures; Frequency and duration of board meetings; quality of board papers; relevance and completeness of agendas; 	<ul style="list-style-type: none"> Commitment in terms of time and effort; Attendance at Board meetings; Ability to offer insights, add value and contribute with personal knowledge and experience; Honesty, integrity, professional conduct or business ethics of the Director; Provides logical opinions and constructive suggestions into the decision-making process; and Being well prepared and adding value to Board/Committee meetings.
	Criteria for Board Evaluation	Criteria for Individual Director Evaluation				
<ul style="list-style-type: none"> Evaluation of organisation performance against industry norms and measurement of performance indicators; Achievement of Board objectives, quality of decisions (value-adding, relevance); Ability to conduct business honestly, ethically and professionally; Effective committee structures; Frequency and duration of board meetings; quality of board papers; relevance and completeness of agendas; 	<ul style="list-style-type: none"> Commitment in terms of time and effort; Attendance at Board meetings; Ability to offer insights, add value and contribute with personal knowledge and experience; Honesty, integrity, professional conduct or business ethics of the Director; Provides logical opinions and constructive suggestions into the decision-making process; and Being well prepared and adding value to Board/Committee meetings. 					

	<ul style="list-style-type: none"> • Information and advice received in a relevant, adequate and timely manner; • Consideration of the appropriate mix of Directors' characteristics, experience and skills; and • Ability to interact with shareholders effectively. 	
Explanation for departure :	<p>Based on the BEE, the Board is satisfied with the performance and effectiveness of its members and committees in FY2021.</p> <p>The performance of each Director retiring at the next AGM is taken into account by the Board in determining whether or not the Board should support the re-election of the Director. The Directors seeking re-election will be asked to reconfirm that they consent to stand for re-election.</p>	
<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 7.1

The board has remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>Fees and benefits payable to Non-Executive Directors are based on their respective roles and responsibilities and are deliberated on and decided by the Board as a whole before they are presented to shareholders for approval at the AGM. In addition, Directors who are shareholders also abstain from voting on resolution to approve Directors' fees and benefits at the AGM.</p> <p>The remuneration strategy for the MD and Key Senior Management executives is to accord competitive pay-outs, and through the use of an integrated pay and benefits structure, to reward individual performance in order to contribute to the success of the Company. The RC shall recommend to the Board the remuneration package of the MD and Key Senior Management executives and it is the responsibility of the Board as a whole to approve the remuneration package. The MD will abstain from discussions on his remuneration package.</p> <p>In August 2021, the Board merged its remuneration policies for the Board and Key Senior Management and updated this to further align with Practice 7.1.</p> <p>For more details, please refer to the Remuneration Policy for Board and Key Senior Management on the Company's website at www.amway.my.</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	:		
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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 7.2

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 RC is responsible for establishing the framework and determining the remuneration of the MD, Non-Executive Directors and Key Senior Management. It is guided by the RC's TOR which provide guidelines on the remuneration of Independent and Non-Independent Directors, Executive Director as well as Key Senior Management.</p> <p>The Board's RC comprises exclusively of three (3) Non-Executive Directors, the majority of whom are Independent Directors.</p> <p>For the period from 1 January 2021 to the RC meeting held on 25 August 2021, the RC comprised of the following:</p> <ul style="list-style-type: none">• Mr. Scott Russell Balfour (Chairman, Non-INED);• Tan Sri Faizah Binti Mohd Tahir (Member, Senior INED); and• Datin Seri Azreen Binti Abu Noh (Member, INED). <p>Upon conclusion of the RC meeting on 25 August 2021, Tan Sri Faizah Binti Mohd Tahir who is also the Board Chairperson, resigned from the RC and En. Abd Malik Bin A Rahman was appointed as a member of the RC on the same day. This change was made in line with Practice 1.4 of the MCCG 2021 which stipulates that the Chairperson of the Board should not be a member of the AC, NC or RC.</p> <p>From the conclusion of the RC meeting on 25 August 2021 until present, the composition of the RC is as follows:</p> <ul style="list-style-type: none">• Mr. Scott Russell Balfour (Chairman, Non-INED);• En. Abd Malik Bin A Rahman (Member, INED); and• Datin Seri Azreen Binti Abu Noh (Member, INED). <p>The TOR of the RC are available on the Company's website at www.amway.my.</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 assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

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	:	Applied
Explanation on application of the practice	:	The remuneration of the Directors for FY2021 is set out in the table on the following page.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Mr. Michael Jonathan Duong ⁽¹⁾	Executive Director	-	-	-	-	-	-	-	-	-	1,673.2	1,130.5	443.8	-	3,247.5
2	Tan Sri Faizah Binti Mohd Tahir ⁽²⁾⁽³⁾	Independent Director	122.5	10.8	-	-	3.5	-	136.8	122.5	10.8	-	-	3.5	-	136.8
3	Dato' Abdullah Thalith Bin Md Thanj ⁽²⁾	Independent Director	79.4	12.0	-	-	1.0	-	92.4	79.4	12.0	-	-	1.0	-	92.4
4	Mr. Low Han Kee ⁽²⁾⁽⁴⁾	Non-Independent Non-Executive Director	67.7	6.0	-	-	5.1	-	78.8	67.7	6.0	-	-	5.1	-	78.8
5	Mr. Scott Russell Balfour ⁽²⁾	Non-Independent Non-Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	En. Abd Malik Bin A Rahman ⁽²⁾⁽⁵⁾	Independent Director	84.6	12.0	-	-	7.5	-	104.1	84.6	12.0	-	-	7.5	-	104.1
7	Datin Seri Azreen Binti Abu Noh ⁽²⁾	Independent Director	76.9	12.0	-	-	-	-	88.9	76.9	12.0	-	-	-	-	88.9
8	Pn. Aida Binti Md Daud ⁽²⁾	Non-Independent Non-Executive Director	65.5 ⁽⁶⁾	4.8	-	-	1.2	-	71.5	65.5 ⁽⁶⁾	4.8	-	-	1.2	-	71.5
Total			496.6	57.6	-	-	18.3	-	572.5	496.6	57.6	1,673.2	1,130.5	462.1	-	3,820.0

Explanatory notes for the remuneration table in the preceding page on Practice 8.1:

- (1) The Executive Director did not receive any remuneration from the Company.
- (2) The Non-Executive Directors did not receive any remuneration from the Company's subsidiaries.
- (3) Resigned as AC member and RC member on 25 August 2021.
- (4) Appointed as AC member on 25 August 2021.
- (5) Appointed as RC member on 25 August 2021.
- (6) Nominee Director whose Director's fees are paid to Permodalan Nasional Berhad ("PNB").

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 8.2

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>While the Board recognises the importance of transparency, due to the high competitiveness for professional talent as well as data privacy and personal security concerns, the Board believes that individual disclosure on a named basis for the remuneration of the top five Senior Management personnel or Key Senior Management ("KSM") positions is not in the best interests of the Group.</p> <p>The KSM consists of the Chief Financial Officer, Chief Sales & ABO Experience Officer, Head of Marketing & Communications, Head of Human Resources and Head of Corporate & Government Affairs.</p> <p>The total remuneration of KSM in respect of FY2021 was approximately RM3.36 million. The remuneration package is divided into total cash and benefits, which is between the market median of the 50th percentile to the 60th percentile⁽¹⁾. Additional remuneration such as year-end bonuses or performance rewards is based on merit in relation to the achievement of individual KPIs and the Group's achievement of specific goals.</p> <p>Amway benchmarks total pay opportunity of employees in similar positions against other employers based on the market in which we compete for talent.</p> <p>The Board believes that the interests of shareholders will not be prejudiced as a result of the non-disclosure of the remuneration for the KSM. The profiles of the KSM are set out in Amway's Annual Report 2021.</p> <p><i>(1) Reference is made to Mercer's 2021 Total Remuneration Survey under the General Industry and Consumer Goods Industry data.</i></p>
<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	:		
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No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	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 8.3 - 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	:	Given that Amway is not categorised as a Large Company, the Company has not adopted the above Practice for the financial year.

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the AC is En. Abd Malik Bin A Rahman, while the Chairperson of the Board is Tan Sri Faizah Binti Mohd Tahir.</p> <p>For the period from 1 January 2021 to the AC meeting held on 25 August 2021, the AC comprised of the following:</p> <ul style="list-style-type: none">• En. Abd Malik Bin A Rahman (Chairman, INED);• Tan Sri Faizah Binti Mohd Tahir (Member, Senior INED);• Dato' Abdullah Thalith Bin Md Thani (Member, INED);• Datin Seri Azreen Binti Abu Noh (Member, INED); and• Mr. Scott Russell Balfour (Member, Non-INED). <p>Upon conclusion of the AC meeting on 25 August 2021, Tan Sri Faizah Binti Mohd Tahir resigned from the AC and Mr. Low Han Kee was appointed as a member of the AC on the same day. This change was made in line with Practice 1.4 of the MCCG 2021 which stipulates that the Chairperson of the Board should not be a member of the AC, NC or RC.</p> <p>From the conclusion of the AC meeting on 25 August 2021 until present, the composition of the AC is as follows:</p> <ul style="list-style-type: none">• En. Abd Malik Bin A Rahman (Chairman, INED);• Dato' Abdullah Thalith Bin Md Thani (Member, INED);• Datin Seri Azreen Binti Abu Noh (Member, INED);• Mr. Low Han Kee (Member, Non-INED); and• Mr. Scott Russell Balfour (Member, Non-INED). <p>The TOR of the AC are available on the Company's website at www.amway.my.</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 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC updated its TOR in August 2021 to require a former partner of the external audit firm and/or affiliated firm to observe a cooling-off period of at least three years before being appointed as a member of the AC.</p> <p>To-date, no former partners of the external audit firm and/or affiliated firm have ever been appointed to the Board.</p> <p>The TOR of the AC are available on the Company's website at www.amway.my.</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 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>In August 2021, the Company put in place a Policy on External Auditors which includes the existing policy on non-audit services provided by the External Auditors. This was expanded to cover their appointment, re-appointment, rotation of audit engagement partner as well as independence.</p> <p>The AC periodically assesses the performance of the External Auditors using the AC Evaluation Form. This includes an annual assessment based on the following:</p> <ul style="list-style-type: none">• Independence and objectivity;• Competency, quality of service and non-audit services rendered by the External Auditors;• Rigour and quality of the audit;• Effectiveness and timeliness of communicating and reporting to the AC;• Level of understanding of the Group's business;• Resource adequacy; and• Appropriateness of audit fee to support a quality audit. <p>The AC also reviews the appropriateness of the proposed audit fees as well as the nature of non-audit services and its fees before recommending to the Board for approval. For details of the audit and non-audit fees paid to the External Auditors, please refer to the Corporate Governance Overview Statement within Amway's Annual Report 2021.</p> <p>Having assessed the external audit function, the Board via the AC is satisfied with their overall performance.</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

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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Given that Amway is not categorised as a Large Company, the Company has not adopted the above Practice for the financial year.

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 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent 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 AC Chairman, En. Abd Malik Bin A Rahman is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, and Malaysian Institute of Management, as well as a Fellow of the Association of Chartered Certified Accountants (UK) and Institute of Corporate Directors Malaysia. The other members of the AC are also financially literate.</p> <p>In FY2021, all AC members continued to undergo periodic training relevant to enhance their skills and better fulfil their duties.</p> <p>The AC members were briefed by the External Auditors, Ernst & Young PLT, on the following financial reporting developments during AC meetings held in FY2021:</p> <ul style="list-style-type: none">• New/amended MFRSs effective for FY2021; and• New/amended MFRSs issued but not yet effective. <p>The Board is satisfied with the performance and competence level of the AC towards fulfilling its duties. The AC will continue to undergo periodic training as and when needed in tandem with developments in accounting and auditing standards, practices and rules.</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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Amway adopts an Enterprise Risk Management (“ERM”) framework which embeds a risk management process in its practices and processes. The framework encompasses a comprehensive process of identifying, evaluating and managing the material risks. This includes all strategic risks such as business, operational, corruption, financial and regulatory risks.</p> <p>The RMC meets on a quarterly basis to evaluate and deliberate on risk management activities and recommends appropriate measures to mitigate risk exposure.</p> <p>The AC meets quarterly to evaluate the adequacy and effectiveness of the Group’s risk management and internal control systems. This involves reviewing the internal audit findings and recommendations to improve any weakness or non-compliance, as well as reviewing the respective responses from the Management thereto, to ensure that all key risks and control weaknesses are being properly addressed.</p> <p>During FY2021, an independent external professional consultant was appointed to perform an enhancement review of the Group’s ERM framework and to facilitate the updating of the Group’s risk register to address existing and new risks. The enhancements proposed by the consultant to the ERM framework to further strengthen the overall risk management structure, reporting and risk analysis was approved and adopted by the Board in May 2021.</p> <p>For further information, please refer to the Statement on Risk Management and Internal Control (“SORMIC”) within Amway’s Annual Report 2021.</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	:		
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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 10.2

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 :	<p>In its overall approach to manage and mitigate risk to the best extent possible, the Group has developed a comprehensive ERM framework and internal control system, which allows risks to be addressed at the operational, management and Board levels.</p> <div data-bbox="437 864 1406 1301" data-label="Diagram"> <p>The diagram illustrates the Enterprise Risk Management Framework. It is structured into three main columns: ERM Infrastructure, ERM Process, and ERM Integration. The ERM Process is a circular flow with five steps: 1. Context Establishment (Internal and external), 2. Risk Assessment (incl. Corruption Risk Assessment) (Identify, Analyse & Evaluate Risk and Opportunity Arising from Risk), 3. Risk Action Implementation (Develop Key Action Plans), 4. Risk Action Monitoring (Monitor & Report on Implementation of Action Plans), and 5. Continuous Monitoring & Embedment (KRIs, Embedment of New Internal Controls). The process is supported by ERM Infrastructure (Vision / Mission, Leadership & Commitment of the Board of Directors / Management, Risk Culture, ERM Policy, ERM Reporting Structure / Frequency, ERM Roles & Responsibilities, Risk Parameters, ERM Procedures) and ERM Integration (Strategic Planning, Business Planning (Budgeting), Policy Development, New Investment / Project, Decision Making, Business Processes, Performance Management, Incidences Data Analysis, Internal Audit (Risk-based)). The process is underpinned by Communication, Awareness / Training, Continuous Improvement, and Change Management.</p> </div> <p>The Group’s risk profile is expressed through the use of a risk impact and likelihood matrix as follows.</p> <table border="1" data-bbox="437 1413 1406 1765"> <thead> <tr> <th rowspan="2">Likelihood</th> <th colspan="5">Magnitude of Impact</th> </tr> <tr> <th>Insignificant (1)</th> <th>Minor (2)</th> <th>Moderate (3)</th> <th>Major (4)</th> <th>Catastrophic (5)</th> </tr> </thead> <tbody> <tr> <td>Almost Certain (5)</td> <td>Medium</td> <td>Medium</td> <td>High</td> <td>Extreme</td> <td>Extreme</td> </tr> <tr> <td>Likely (4)</td> <td>Medium</td> <td>Medium</td> <td>High</td> <td>High</td> <td>Extreme</td> </tr> <tr> <td>Possible (3)</td> <td>Low</td> <td>Medium</td> <td>Medium</td> <td>High</td> <td>High</td> </tr> <tr> <td>Unlikely (2)</td> <td>Low</td> <td>Low</td> <td>Medium</td> <td>Medium</td> <td>High</td> </tr> <tr> <td>Rare (1)</td> <td>Low</td> <td>Low</td> <td>Medium</td> <td>Medium</td> <td>High</td> </tr> </tbody> </table> <p>During the year, the RMC met four (4) times to review the Group’s risk profile. The risk management activities undertaken for each division included risk assessment at the operational levels, evaluation of the effectiveness of the controls in place, and the requirements for further controls when mitigated residual risks are unacceptable.</p> <p>For further information, please refer to the AC Report and SORMIC within Amway’s Annual Report 2021.</p>	Likelihood	Magnitude of Impact					Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)	Almost Certain (5)	Medium	Medium	High	Extreme	Extreme	Likely (4)	Medium	Medium	High	High	Extreme	Possible (3)	Low	Medium	Medium	High	High	Unlikely (2)	Low	Low	Medium	Medium	High	Rare (1)	Low	Low	Medium	Medium	High
Likelihood	Magnitude of Impact																																									
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Unlikely (2)	Low	Low	Medium	Medium	High																																					
Rare (1)	Low	Low	Medium	Medium	High																																					

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 10.3 - 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	:	Given that Amway is not categorised as a Large Company, the Company has not adopted the above Practice for the financial year.

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 11.1

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>Amway's internal audit function is outsourced to an independent external professional firm. The rationale for using an external party is to ensure impartiality and independence of the internal audit function towards providing effective checks and balances on the overall audit process and strategy. The internal audit function reports directly to the AC and its role is set based on the approved risk-based audit plan.</p> <p>With effect from FY2021, KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG"), an independent external professional firm was appointed to take over from Deloitte Risk Advisory Sdn. Bhd., who had undertaken the internal audit role for the past six (6) years. During the financial year under review, KPMG conducted three (3) internal audit cycles and reported its findings to the AC.</p> <p>Further details of the activities of the internal audit function are provided in the AC Report and SORMIC within Amway's Annual Report 2021.</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 have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

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 Group has outsourced its internal audit function to KPMG, which is an independent external party and free from any relationships or conflicts of interest. For the financial year under review, the KPMG team of four (4) was headed by En. Mohd Khaidzir Shahari, who is a Chartered Accountant, Malaysian Institute of Accountants; Certified Global Management Accountant; Certified Internal Auditor, The Institute of Internal Auditors Inc; and Chartered Member, Institute of Internal Auditors Malaysia.</p> <p>En. Khaidzir has over 25 years of experience in undertaking internal audit and risk management engagements for various government and public-listed companies including those in the consumer markets (retail and distribution management).</p> <p>The internal audit performed are based on the KPMG Internal Audit Methodology, a risk-based internal audit methodology which is aligned with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.</p> <p>Further details of the internal audit function are provided in the AC Report within Amway’s Annual Report 2021.</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

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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established an Investor Relations Policy which was last updated in August 2021. This policy serves as the foundation of Amway's Investor Relations programme and as a statement to the Company's stakeholders on how the Company intends to keep them informed of material developments and maintain effective communications with them.</p> <p>The Board values the perspectives of stakeholders and respects the rights of shareholders to receive timely and accurate communication from the Company.</p> <p>In this regard, the Board and KSM of Amway continue to initiate a wide range of communication initiatives with shareholders and other stakeholders.</p> <p>Amway maintains an investor relations section on its website, which allows stakeholders to email enquiries or seek clarification on company related matters at any time. The contact details of the Investor Relations ("IR") personnel is also available in the IR section to enable stakeholders to reach the IR personnel directly in the event of any enquiries or feedback.</p> <p>In essence, the Board and KSM have initiated active communication. The following are some of the active communications that were undertaken during FY2021:</p> <ul style="list-style-type: none">• Sharing of quarterly interim performance and full year financial results with regulators and the media;• Dissemination of circulars;• Publication of the Company's Annual Report and Group's audited financial statements;• Convening of the AGM to table the Company's Annual Report and to address queries from shareholders; and• Organisation of analyst briefing with investors and analysts. <p>Stakeholders can view information announced by Amway on its corporate website at www.amway.my. The Company's corporate information, financial information, company's announcements and other related communications and information are also available on its corporate website.</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 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
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 13.1

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	:	The Notice of the 26 th AGM dated 23 April 2021 was distributed 32 days in advance of the virtual AGM held on 25 May 2021.	
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 13.2

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	:	All eight (8) Directors participated in the 26 th AGM held on 25 May 2021, which was conducted virtually through live streaming from the broadcast venue to facilitate remote shareholders' participation and online electronic poll voting. The Chairmen of the Board Committees also participated remotely to address relevant questions.	
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 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>In view of the COVID-19 pandemic and as part of our safety measures, the Company's 26th AGM held on 25 May 2021 was conducted virtually through live streaming from the broadcast venue to facilitate remote shareholders' participation and online electronic poll voting.</p> <p>This was also in line with Practice 13.3 where companies are encouraged to leverage on technology to enable remote shareholders' participation and online voting.</p> <p>The 26th AGM was conducted using the Remote Participation and Voting ("RPV") facilities from Tricor Investor & Issuing House Services Sdn. Bhd ("Tricor"). Tricor had put in place information security measures to prevent cyberattacks and data breaches, which included hosting the RPV facilities on a secure cloud platform. In addition, the details of arrangements for the AGM and instructions on how to register, participate and vote using the RPV facilities were included in the Information for Shareholders on AGM in the Annual Report and a copy of the guide was also uploaded on Amway's website under the Investor Relations section. Prior to the AGM, a trial run was conducted by Tricor with participation by all Board members, the Company Secretary, External Auditors and advisors to ensure a smooth virtual AGM.</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 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Company's 26th AGM was held in a virtual manner for the second consecutive year through live streaming from the broadcast venue to facilitate remote shareholders' participation and online electronic poll voting. Shareholders were encouraged to attend and speak in the form of real time submission of typed texts and vote remotely at the AGM using the RPV facilities from Tricor.</p> <p>Shareholders were encouraged to submit questions to the Board in advance before the AGM via Tricor's TIIH Online website and the questions received were addressed at the AGM.</p> <p>At the 26th AGM, the Chairperson, MD and CFO were present at the broadcast venue and the remaining Directors, Company Secretary, External Auditors and advisors participated through video conferencing to facilitate a vigorous discussion with shareholders. The MD provided shareholders with an overview of the Group's operations, while the CFO provided a financial overview of the financial year's performance.</p> <p>The Company replied to questions received in advance of the meeting and those posed real time during the AGM. The minutes of the AGM together with the Company's response to questions received in advance and those raised during the AGM was posted on the Company's website.</p> <p>Shareholders were also able to email any enquiries or share feedback and questions outside of the general meeting via Amway's investor relation email at ir@amway.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

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

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>To keep people safe amidst the COVID-19 pandemic, the Company's 26th AGM was held in a virtual manner. Live streaming from the broadcast venue was leveraged to facilitate remote shareholder participation and online electronic poll voting. Shareholders were encouraged to participate, vote and voice their perspectives in the form of real time text submissions and vote remotely at the AGM using Tricor's RPV facilities.</p> <p>Shareholders were also urged to submit questions to the Board in advance of the AGM via Tricor's TIIH Online website. These questions were then addressed at the AGM.</p> <p>All questions received in advance and those posed real time during the AGM were made visible to all meeting participants. The Company's responses to these questions were addressed during a designated Question-and-Answer session. The minutes of the AGM together with the Company's response to questions received in advance and those raised during the AGM was posted on the Company's website.</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 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of the 26 th AGM together with the Company's response to questions received in advance and those raised during the AGM was made available to shareholders at the Company's website at www.amway.my within 30 business days after the AGM.
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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