

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 6351  
**COMPANY NAME** : Amway (Malaysia) Holdings Berhad  
**FINANCIAL YEAR** : December 31, 2023

## 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 TO 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<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"> <li>• Board Charter;</li> <li>• Directors' Fit and Proper Policy;</li> <li>• Board and Key Senior Management Diversity Policy;</li> <li>• Policy on Succession Planning for Board and Key Senior Management;</li> <li>• Remuneration Policy for Board and Key Senior Management;</li> <li>• Sustainability Strategic Framework;</li> <li>• Code of Conduct and Ethics, Whistleblower Policy and Anti-Bribery and Corruption Policy;</li> <li>• Enterprise Risk Management Policy, Internal Audit Charter and Policy on External Auditors; and</li> <li>• Investors Relations Policy.</li> </ul> <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 standards such as the Malaysian Financial Reporting</p>

	<p>Standards (“MFRS”) and the International Financial Reporting Standards (“IFRS”).</p> <p>Through the NC, Amway’s Board evaluates the existing skillsets of the Board members (including their 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 (“KSM”) appropriately reflect the different roles and responsibilities and are comparable to industry benchmarks.</p> <p>There is a clear separation of matters between those that are under the purview of the Board and those that 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’s end.</p> <p>While the Board plays an active role in determining the Group’s broad-based business and sustainability strategies, it has delegated to Senior Management the responsibility for developing the appropriate tactical plans and initiatives to achieve Amway’s 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 realising these through actionable business plans.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Tan Sri Faizah Binti Mohd Tahir was the Chairperson of the Board and also the Senior Independent Non-Executive Director ("INED") of the Company until her retirement at the conclusion of the Company's Twenty-Eighth ("28<sup>th</sup>") Annual General Meeting ("AGM") which was held on 24 May 2023. Upon conclusion of the AGM, En. Abd Malik Bin A Rahman was re-designated as the new Chairman of the Board and Senior INED. Please refer to Practice 5.3 of this Corporate Governance ("CG") Report 2023 for further information.</p> <p>The Chairperson/Chairman 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"><li>• Leading the Board in establishing and instilling good corporate governance practices within the Group;</li><li>• Maintaining regular dialogue with the MD over operational matters and consulting with the remaining Board members promptly over any matters that give the Chairperson/Chairman cause for major concern;</li><li>• 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/Chairman shall ensure that discussions result in logical and understandable outcomes;</li><li>• Encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;</li><li>• Setting the Board agenda and ensuring Board members receive complete and accurate information in a timely manner;</li><li>• Managing the interface between the Board and Management;</li></ul>

	<ul style="list-style-type: none"> <li>• Ensuring that general meetings support meaningful engagement between the Board, KSM and shareholders; and</li> <li>• Representing the Board to shareholders and ensuring the appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.</li> </ul> <p>In November 2023, the Chairman 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>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Amway has different individuals holding the positions of Chairperson/Chairman and MD.</p> <p>The position of Chairperson was held by Tan Sri Faizah Binti Mohd Tahir until her retirement at the conclusion of the 28<sup>th</sup> AGM on 24 May 2023. Upon conclusion of the 28<sup>th</sup> AGM, En. Abd Malik Bin A Rahman was re-designated as the Chairman.</p> <p>The position of MD is held by Mr. Michael Jonathan Duong.</p> <p>The role of the Chairperson/Chairman has been outlined in Practice 1.2 of this CG Report 2023 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 business and sustainability strategies so that the targets and objectives approved by the Board are realised. 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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>Tan Sri Faizah Binti Mohd Tahir was the Chairperson until her retirement at the conclusion of the 28<sup>th</sup> AGM on 24 May 2023. She was not a member of AC, NC and RC, and did not participate in any of the committees' meetings by invitation.</p> <p>Upon conclusion of the 28<sup>th</sup> AGM, En. Abd Malik Bin A Rahman was re-designated as the Chairman and Senior INED and stepped down from the positions of AC Chairman, NC member and RC member to ensure continued compliance with Practice 1.4. He also did not participate in any of the committees' meetings by invitation.</p> <p>Please refer to Practice 5.3 of this CG Report 2023 for further information.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



## 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company engages the services of two (2) Company Secretaries, namely Ms. Wong Wai Foong and Ms. Kuan Hui Fang. Together, they bring to the table more than 20 years of cumulative company secretarial experience. On 15 November 2023, Ms. Wong Wai Foong resigned as the Company Secretary while Ms. Joanne Toh Joo Ann, a licensed company secretary with more than 20 years of experience in corporate secretarial practices, was appointed in her stead.</p> <p>The Company Secretaries have an in-depth understanding of the Group's overall business strategy and operations. They also are well versed with the overall goals set by the Board when it comes to strengthening corporate governance and risk management, as well as improving the Group's overall management and administration.</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 line with the relevant rules and regulations. Their functions include (but are not limited to):</p> <ul style="list-style-type: none"><li>• Advising the Board of its duties and responsibilities;</li><li>• Advising the Board on corporate disclosures and compliance with the Companies Act 2016 and Main Market Listing Requirements of Bursa Securities;</li><li>• Ensuring that Board procedures and applicable rules are observed during meetings;</li><li>• Attending and recording minutes of the Board and Board Committees meetings and facilitating communications;</li><li>• Maintaining records of the Board and Board Committees and ensuring effective management of the Company's statutory records;</li><li>• Monitoring corporate governance developments and assisting the Board in applying corporate governance</li></ul>

	<p>practices to meet the Board’s needs and stakeholders’ expectations;</p> <ul style="list-style-type: none"> <li>• Managing the processes pertaining to the annual general meetings and general meetings;</li> <li>• Ensuring the execution of assessment for Directors, the Board and Board Committees;</li> <li>• Advising the Directors of their obligations to disclose their interests in securities, any conflicts of interest and related party transactions;</li> <li>• Advising the Directors of any prohibition on dealing in securities during the closed period and any restrictions on disclosure of price-sensitive information; and</li> <li>• 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.</li> </ul> <p>At least one of the Company Secretaries has attended all the 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>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</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 1.6

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 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/Chairman 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>Notification is sent by the Company Secretaries to the Management which includes the deadline for submission of meeting materials.</p> <p>Board and Board Committee papers prepared by the Management and Company Secretaries are presented in a concise manner and are uploaded to a secured online platform which is accessible by the 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>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 matters where Directors abstained from voting and deliberation, and resolutions passed are maintained accordingly. Meetings of the Board and the Board Committees are recorded and circulated to Board members for their perusal prior to confirming these minutes at the commencement of the subsequent meeting.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 or INEDs, Senior INED and the 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.</p> <p>The Board Charter is available on the Company’s website at <a href="http://www.amway.my">www.amway.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<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 both 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>During the financial year ended 31 December 2023 ("FY2023"), the Group updated its Code of Conduct and Ethics in tandem with the amendments to Bursa Securities' Listing Requirements revolving around (i) the enhancements to conflict-of-interest disclosures, and (ii) the expanded scope of the Audit Committee's oversight related to reviewing and reporting conflicts of interest situations to the Board.</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</p>

	<p>Risk Management Committee (“RMC”) shall have oversight on the implementation and monitoring of the compliance controls related to the ABAC Policy. The ABAC Policy was also updated in FY2023 as part of the annual review.</p> <p>The Code of Conduct and Ethics and ABAC Policy are available on the Company’s website at <a href="http://www.amway.my">www.amway.my</a>.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Amway's Whistleblower 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 and/or ABAC Policy.</p> <p>Under the Whistleblower Policy, the whistleblower can disclose any impropriety in good faith while enjoying confidentiality of his/her identity and protection from victimisation, reprisal, 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. The AC Chairman/Chairperson is one of the avenues for employees or relevant parties to raise concerns about wrongdoings and non-compliance with the Code of Conduct and Ethics and/or ABAC Policy.</p> <p>En. Abd Malik Bin A Rahman was the AC Chairman until the conclusion of the 28<sup>th</sup> AGM on 24 May 2023. Upon the conclusion of the 28<sup>th</sup> AGM, whereby En. Abd Malik Bin A Rahman was re-designated as the Board Chairman, he stepped down as the AC Chairman. At the same time, Ms. Ho Kim Poi, an AC member, was re-designated as the AC Chairperson. Please refer to Practice 5.3 of this CG Report 2023 for further information.</p> <p>The AC Chairperson can be contacted at <a href="mailto:hokimpoi@gmail.com">hokimpoi@gmail.com</a>.</p> <p>The Whistleblower Policy is available on the Company's website at <a href="http://www.amway.my">www.amway.my</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		



<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of business sustainability and its role in creating long-term value for stakeholders. The Board and Management are ultimately responsible for the governance of sustainability in the Group, including the formulation of strategies, priorities and targets as well as for maintaining regular oversight of sustainability progress and achievements.</p> <p>The Board has adopted a Sustainability Strategic Framework to facilitate the implementation of the Group's sustainability plan. This Framework considers elements such as the Group's context, business direction, activities, products and services, as well as the environmental, economic and social impacts, and the resulting material matters. The Framework also encapsulates the overarching pillars to address the Group's material matters namely, (i) Build Entrepreneurs, (ii) Nurturing People and Community, and (iii) Wellness-focused Responsible Products. It also takes into account the Group's overall direction towards sustainability while supporting the achievement of the United Nations' Sustainable Development Goals and Targets.</p> <p>Amway is committed to improving its business operations by incorporating environmental, social and governance considerations into its business decisions while delivering value to its stakeholders in a 'right and good way'.</p> <p>In FY2023, the Group conducted a review of its Sustainability Strategic Framework and initiatives to further align with the changes to the Bursa Securities' Listing Requirements pertaining to the sustainability reporting framework. The Board approved the enhanced Sustainability Strategic Framework in February 2024.</p> <p>In addition to the Framework, the Board adopted a Sustainability Policy which provides further guidance on how Amway is to</p>

	<p>conduct its business responsibly while reaffirming its commitments towards sustainability.</p> <p>At the management level, the Sustainability Steering Committee (“SSC”) is responsible for driving sustainability initiatives across the Group’s operations as well as overseeing sustainability strategies and progress. The SSC is supported by the Sustainability Working Committee (“SWC”) which is tasked with implementing the sustainability initiatives. The Head of Corporate and Government Affairs (who is a member of the SSC) reports regularly to the Board on the progress of the Group’s sustainability initiatives and how the material sustainability matters are being addressed.</p> <p>The key risks associated with the Group’s material sustainability matters have been incorporated into the Corporate Risk Register together with mitigation action plans. The risk register is reviewed quarterly by the Board through the AC.</p> <p>Please refer to the Sustainability Statement within Amway’s Annual Report 2023 for further information.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board acknowledges the importance of having continuous and meaningful communication with the Group’s stakeholders on its sustainability strategies, priorities and targets.</p> <p>Stakeholder engagement is a vital element in the Group’s sustainability implementation. Relevant stakeholders and their needs and expectations underpin the identification of the Group’s material matters and risks and opportunities, and the development of strategies to manage them.</p> <p>The Group’s key stakeholders include the following:</p> <ul style="list-style-type: none"> <li>• Amway Business Owners (“ABOs”);</li> <li>• Amway Privileged Customers (“APC”);</li> <li>• Employees;</li> <li>• Shareholders;</li> <li>• Investment community;</li> <li>• Government/regulatory authorities; and</li> <li>• Communities/general public/media.</li> </ul> <p>The Group has engaged with both its external and internal stakeholders through surveys during its materiality assessment process to identify the material sustainability matters. In addition, awareness training on the Group’s material sustainability matters as well as updates on the Group’s sustainability efforts are also provided to all employees.</p> <p>The Sustainability Statement in Amway’s Annual Report provides comprehensive information on the Group’s sustainability strategies, priorities and targets as well as the progress made.</p> <p>Please refer to the Sustainability Statement within Amway’s Annual Report 2023 for further information.</p>
<b>Explanation for departure</b>	:
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>To ensure they stayed abreast of the latest changes and developments, Board members attended various sustainability-related training and workshops, including tailor-made sustainability programmes conducted by external professional trainers during FY2023.</p> <p>Please refer to the CG Overview Statement within Amway’s Annual Report 2023 for further details of the training sessions attended by Board members.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>In May 2022, a group-wide Sustainability Strategic Framework was put in place and endorsed by the Board. Thereafter, Management began to develop plans to implement the various strategies and to achieve the goals and targets set out in the Framework to manage the Group’s material sustainability matters.</p> <p>During FY2023, the Group undertook a reassessment of its Sustainability Strategic Framework and initiatives to align with the amendments to Bursa Securities’ Listing Requirements in relation to the sustainability reporting framework. Subsequently, the Group’s enhanced Sustainability Strategic Framework was adopted by the Board in February 2024.</p> <p>The Board will closely monitor the progress of the implementation of the Group’s sustainability strategic plan before incorporating the performance evaluations of the Board and KSM. At the same time, the Board will identify suitable Key Performance Indicators to assess how well they have performed in managing the material sustainability risks and opportunities.</p> <p>Please refer to the Sustainability Statement within Amway’s Annual Report 2023 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>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During FY2023, 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"><li>• Reviewed and assessed the mix of skills, experience, size and composition of the Board of Directors;</li><li>• 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;</li><li>• Assessed the effectiveness and performance of the MD;</li><li>• Assessed the independence of the Independent Directors based on the criteria set out in the Listing Requirements;</li><li>• Reviewed the tenure of the Directors;</li><li>• Reviewed the re-election of Directors who were subject to retirement by rotation and recommended the same to the Board;</li><li>• Reviewed the character, experience, integrity and competency of the MD and Chief Financial Officer ("CFO"), and the time they require to effectively discharge their roles;</li><li>• Accepted the resignation of Tan Sri Faizah Binti Mohd Tahir as the Board's Chairperson and Senior INED upon the conclusion of the 28<sup>th</sup> AGM on 24 May 2023;</li><li>• Recommended the appointment of En. Abd Malik Bin A Rahman as the new Board Chairman and Senior INED as well as his cessation as the AC Chairman and member of the NC and RC upon the conclusion of the 28<sup>th</sup> AGM;</li><li>• Reviewed and recommended to the Board, the appointment of Ms. Ho Kim Poi as a Director and a member of both the AC and RC effective 15 March 2023, as well as her subsequent redesignation as the AC Chairperson upon the conclusion of the 28<sup>th</sup> AGM;</li><li>• Accepted the resignation of Pn. Aida Binti Md Daud and the appointment of Pn. Norhanifah Binti A.Jalil as a Director effective 1 January 2024;</li><li>• Reviewed and recommended the succession plan for Dato' Abdullah Thalith Bin Md Thani;</li><li>• Accepted the resignation of a Director of a subsidiary of the Company, reviewed and recommended to the Board, the</li></ul>

	appointment of a replacement Director (including assessment of fit and propriety); <ul style="list-style-type: none"> <li>• Reviewed and recommended the training needs for Directors; and</li> <li>• Reviewed and recommended the updated Terms of Reference of the NC to the Board for approval.</li> </ul>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The changes in the Board's independence composition during FY2023 as a result of the Board movements are set out below.</p> <ul style="list-style-type: none"><li>• From 1 January 2023 to 14 March 2023, four (4) of the eight (8) Directors (representing 50% of the Board) were Independent Directors;</li><li>• From 15 March 2023 to the Company's 28<sup>th</sup> AGM on 24 May 2023, five (5) of the nine (9) Directors (representing 56% of the Board) were Independent Directors; and</li><li>• Upon the conclusion of the 28<sup>th</sup> AGM, four (4) of the eight (8) Directors (representing 50% of the Board) were Independent Directors.</li></ul> <p>Please refer to Practice 5.3 of this CG Report 2023 for further information.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Over the course of 2023, the Company rolled out the succession plan for Tan Sri Faizah Binti Mohd Tahir, the Board's Chairperson and Senior INED, who had served as an INED for nine (9) years up to her retirement at the conclusion of the Company's 28<sup>th</sup> AGM held on 24 May 2023. The succession plan involved strategic restructuring at both the Board and various committee levels.</p> <p><i>From 1 January 2023 to 14 March 2023</i></p> <p>The Board comprised eight (8) directors, seven (7) of whom were Non-Executive Directors. The MD was the sole Executive Director on the Board. Of the seven (7) Non-Executive Directors, four (4) were Independent Directors. The Board then comprised the following members:</p> <ul style="list-style-type: none"><li>• Tan Sri Faizah Binti Mohd Tahir (Chairperson and Senior INED);</li><li>• Mr. Michael Jonathan Duong (MD);</li><li>• Dato' Abdullah Thalith Bin Md Thani (INED);</li><li>• En. Abd Malik Bin A Rahman (INED);</li><li>• Datin Seri Azreen Binti Abu Noh (INED);</li><li>• Mr. Low Han Kee (Non-INED);</li><li>• Mr. Scott Russell Balfour (Non-INED); and</li><li>• Pn. Aida Binti Md Daud (Non-INED).</li></ul> <p><i>From 15 March 2023 to the Company's 28<sup>th</sup> AGM on 24 May 2023</i></p> <p>On 15 March 2023, Ms. Ho Kim Poi was appointed to the Board as an INED, as well as a member of both the AC and RC. On the same day, Datin Seri Azreen Binti Abu Noh was appointed as a member of the NC. From 15 March 2023 to the Company's 28<sup>th</sup> AGM held on 24 May 2023, the Board comprised of nine (9) directors, eight (8) of whom were Non-Executive Directors. Of the eight (8) Non-Executive Directors, five (5) were Independent Directors. The composition of the Board then was as follows:</p>

- Tan Sri Faizah Binti Mohd Tahir (Chairperson and 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);
- Ms. Ho Kim Poi (INED);
- Mr. Low Han Kee (Non-INED);
- Mr. Scott Russell Balfour (Non-INED); and
- Pn. Aida Binti Md Daud (Non-INED).

*From the conclusion of the 28<sup>th</sup> AGM on 24 May 2023 to 31 December 2023*

Upon the conclusion of the 28<sup>th</sup> AGM on 24 May 2023, Tan Sri Faizah Binti Mohd Tahir retired as the Board's Chairperson and Senior INED. This is in line with Practice 5.3 of the MCCG which states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years.

On the same day, En. Abd Malik Bin A Rahman was appointed as the Board's Chairman and Senior INED to succeed Tan Sri Faizah Binti Mohd Tahir. He also stepped down as the AC Chairman as well as a member of the NC and RC in compliance with Practice 1.4 of the MCCG (i.e., that the Chairman of the Board should not be a member of the AC, NC or RC), and Practice 9.1 of the MCCG (i.e., that the Chairman of the AC is not the Chairman of the Board). Concurrently, Ms. Ho Kim Poi was redesignated as the new AC Chairperson to replace En. Abd Malik Bin A Rahman.

From the conclusion of the 28<sup>th</sup> AGM to 31 December 2023, the Board comprised eight (8) Directors, seven (7) of whom were Non-Executive Directors. Of the seven (7) Non-Executive Directors, four (4) were Independent Directors. The composition of the Board then was as follows:

- En. Abd Malik Bin A Rahman (Chairman and Senior INED);
- Mr. Michael Jonathan Duong (MD);
- Ms. Ho Kim Poi (INED);
- Dato' Abdullah Thalith Bin Md Thani (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).

*Other Board changes from 1 January 2024 to the date of this Report*

On 1 January 2024, Pn. Aida Binti Md Daud, a Non-INED and a nominee of Permodalan Nasional Berhad ("PNB"), stepped down from the Board and was replaced by Pn. Norhanifah Binti A. Jalil from PNB on the same day.

	<p>From 1 January 2024, the Board comprised eight (8) Directors, seven (7) of whom were Non-Executive Directors. Of the seven (7) Non-Executive Directors, four (4) were Independent Directors. The following reflects the composition of the Board then:</p> <ul style="list-style-type: none"> <li>• En. Abd Malik Bin A Rahman (Chairman and Senior INED);</li> <li>• Mr. Michael Jonathan Duong (MD);</li> <li>• Ms. Ho Kim Poi (INED);</li> <li>• Dato' Abdullah Thalith Bin Md Thani (INED);</li> <li>• Datin Seri Azreen Binti Abu Noh (INED);</li> <li>• Mr. Low Han Kee (Non-INED);</li> <li>• Mr. Scott Russell Balfour (Non-INED); and</li> <li>• Pn. Norhanifah Binti A.Jalil (Non-INED).</li> </ul> <p><i>Succession Plan for Dato' Abdullah Thalith Bin Md Thani in FY2024</i></p> <p>At the forthcoming Twenty-Ninth ("29<sup>th</sup>") AGM to be held on 23 May 2024, Dato' Abdullah Thalith Bin Md Thani will be due for retirement by rotation. Come May 2024, Dato' Abdullah Thalith Bin Md Thani who was appointed as a Director in May 2015, would have served as an INED for a term of nine (9) years. In line with Practice 5.3 of the MCCG which states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years, Dato' Abdullah Thalith Bin Md Thani has indicated that he will not be seeking re-election and will retire from the Board upon the conclusion of the 29<sup>th</sup> AGM.</p> <p>In February 2024 the Board recommended Datuk Harjeet Singh A/L Hardev Singh to succeed Dato' Abdullah Thalith Bin Md Thani. The appointment of Datuk Harjeet Singh A/L Hardev Singh as a Director will be put forth to the shareholders for approval at the 29<sup>th</sup> AGM.</p> <p>Subject to Datuk Harjeet Singh A/L Hardev Singh being appointed as a Director, the composition of the Board after the conclusion of the 29<sup>th</sup> AGM will be as follows:</p> <ul style="list-style-type: none"> <li>• En. Abd Malik Bin A Rahman (Chairman and Senior INED);</li> <li>• Mr. Michael Jonathan Duong (MD);</li> <li>• Ms. Ho Kim Poi (INED);</li> <li>• Datin Seri Azreen Binti Abu Noh (INED);</li> <li>• Datuk Harjeet Singh A/L Hardev Singh (INED);</li> <li>• Mr. Low Han Kee (Non-INED);</li> <li>• Mr. Scott Russell Balfour (Non-INED); and</li> <li>• Pn. Norhanifah Binti A.Jalil (Non-INED).</li> </ul>
<p><b>Explanation for departure</b> :</p>	

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<i>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.</i>	
<b>Application</b>	: Not Adopted
<b>Explanation on adoption of the practice</b>	: 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board through the NC is responsible for ensuring that the best possible talent is brought into the Board and that the Key Senior Management or KSM team is based on Amway's unique business requirements and the competitive industry landscape in which it operates.</p> <p>The NC is guided by the Policy on Succession Planning for Board and Key Senior Management as well as the Board and Key Senior Management Diversity Policy in the selection, appointment and re-election of Directors. The Board has also established a Directors' Fit and Proper Policy in line with the requirements of Paragraph 15.01A of the Listing Requirements of Bursa Securities. The Directors' Fit and Proper Policy serves as a guide to the NC and the Board in their assessment of how fit and proper the Directors are in terms of their character, integrity, experience, competence as well as time and commitment. The said Policy is available on the Company's website at <a href="http://www.amway.my">www.amway.my</a>.</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 among others the following key considerations:</p> <ul style="list-style-type: none"><li>a) Skills, experience, age, cultural background and gender to achieve boardroom diversity;</li><li>b) Professionalism, reputation and track record;</li><li>c) Ability to devote sufficient time commitment;</li><li>d) Contribution and performance;</li><li>e) Character, integrity, ability to lead by example and competence;</li><li>f) Ability to understand financial statements and form a view on the information presented; and</li></ul>

	<p>g) In the case of candidates for the position of INED, the NC shall also evaluate the candidates' independence and ability to discharge the duties and responsibilities that are expected of an INED.</p> <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>Please refer to the CG Overview Statement within Amway's Annual Report 2023 for details of the assessment undertaken by the NC for the appointment of new Directors and re-election of Directors.</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 Amway's 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 appointment of individuals to KSM 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.</p> <p>In addition, such appointments shall be made in line with the internal policies adopted by the Group, keeping in view the Group's mission, vision, strategies and objectives.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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>The NC is open to various sources in identifying potential candidates for appointment as new Directors. This includes recommendations from present or former Directors, major shareholders and/or independent external sources.</p> <p>Please refer to the CG Overview Statement within Amway’s Annual Report 2023 for details of the sourcing of candidates to be appointed as Directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The disclosure requirements under Practice 5.7 have been included in the Statement Accompanying the Notice of the 28 <sup>th</sup> AGM issued on 19 April 2023.	
<b>Explanation for departure</b>	:		
	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		
	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC is chaired by Dato' Abdullah Thalith Bin Md Thani, an INED.</p> <p>Dato' Abdullah Thalith Bin Md Thani leads the NC in the following activities: identifying and recommending suitable individuals for appointment as Directors of the Board and Board Committees; assessing Directors who are up for re-election; reviewing the Board's succession planning; and assessing the performance of Directors.</p> <p>At the forthcoming 29<sup>th</sup> AGM to be held on 23 May 2024, Dato' Abdullah Thalith Bin Md Thani will be due for retirement by rotation. Come May 2024, Dato' Abdullah Thalith Bin Md Thani who was appointed as a Director in May 2015, would have served as an INED for a term of nine (9) years. In line with Practice 5.3 of the MCCG which states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years, Dato' Abdullah Thalith Bin Md Thani has indicated that he will not be seeking re-election and will retire from the Board upon the conclusion of the 29<sup>th</sup> AGM.</p> <p>On the same day, Datin Seri Azreen Binti Abu Noh, a NC member, will be redesignated as the NC Chairperson. The Board has also recommended that Datuk Harjeet Singh A/L Hardev Singh be appointed as a Director to replace Dato' Abdullah Bin Md Thani for shareholders' approval at the 29<sup>th</sup> AGM. At the same time, he will also take on the role of a NC member.</p> <p>Subject to the appointment of Datuk Harjeet Singh A/L Hardev Singh as a Director and subsequently as a NC member on the same day, the composition of the NC after the 29<sup>th</sup> AGM will be as follows:</p> <ul style="list-style-type: none"><li>• Datin Seri Azreen Binti Abu Noh (Chairperson, INED);</li><li>• Datuk Harjeet Singh A/L Hardev Singh (Member, INED); and</li><li>• Mr. Scott Russell Balfour (Member, Non-INED).</li></ul>
<b>Explanation for departure</b>	:	

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>From 1 January 2023 to 14 March 2023, the Board comprised eight (8) Directors, three (3) of whom were women (equivalent to 38% of the Board composition).</p> <p>Following the appointment of Ms. Ho Kim Poi on 15 March 2023, four (4) out of nine (9) Directors were women (equivalent to 44% of the Board composition).</p> <p>With the retirement of Tan Sri Faizah Binti Mohd Tahir upon the conclusion of the 28<sup>th</sup> AGM on 24 May 2023, the number of women Directors reverted to three (3) out of the eight (8) Board members (equivalent to 38% of the Board composition). This remained unchanged following the resignation of Pn. Aida Binti Md Daud and the appointment of Pn. Norhanifah Binti A.Jalil on 1 January 2024.</p> <p>The above is in line with Amway's Board and Key Senior Management Diversity Policy of having at least 30% women representation on the Board as recommended by Practice 5.9 of the MCGG that requires the Board to have at least 30% women Directors. This also complies with Paragraph 15.02(1)(b) of Bursa Securities' Listing Requirements, whereby listed issuers are required to have at least one (1) woman Director on the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and Key Senior Management Diversity Policy sets forth the Group's commitment and approach towards diversity.</p> <p>Gender diversity will be accorded particular attention when considering Board appointments with a view to having at least 30% women representation on the Board. The Board is also supportive of ensuring that there is a healthy representation of women in KSM positions and strives to achieve at least 20% participation by women in these positions. Both targets have been achieved.</p> <p>For women representation on the Board, please refer to the explanation in Practice 5.9 of this CG Report 2023.</p> <p>During FY2023, Amway's KSM comprised five (5) key positions namely the Chief Financial Officer, Chief Sales &amp; Experience Officer, Chief Marketing Officer, Head of Human Resources, and Head of Corporate &amp; Government Affairs. From 1 January 2023 until March 2023, one (1) of the five (5) positions i.e., that of the Chief Sales &amp; Experience Officer, was vacant. During this period, three (3) out of the remaining four (4) key positions, or 75%, were held by women. The said position was subsequently filled in April 2023 upon Ms. Wang Yanwei joining the KSM team, which led to four (4) out of five (5) key positions, or 80% being held by women. On 1 March 2024, Mr. Jason Leng Kek Mun joined Amway as General Manager and became a member of the KSM team. This led to four (4) out of the six (6) KSM positions, or 67% being held by women.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	



<b>Timeframe</b>	:		
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## 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>						
<b>Application</b>	:	Applied				
<b>Explanation on application of the practice</b>	:	Annually, the Board assesses the effectiveness of its members and committees via the Board Evaluation Exercise (“BEE”). For FY2023, the BEE was carried out internally and involved the completion of questionnaires and evaluation forms by the Directors without the engagement of an independent expert. The key 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"> <li>Evaluation of organisation performance against industry norms and measurement of performance indicators;</li> <li>Achievement of Board objectives, quality of decisions (value-adding, relevance) and addressing Environmental, Social and Governance (“ESG”) issues;</li> <li>Ability to conduct business honestly, ethically and professionally;</li> <li>Effective committee structures;</li> <li>Frequency and duration</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Commitment in terms of time and effort;</li> <li>Attendance at Board meetings;</li> <li>Ability to offer insights, add value and contribute with personal knowledge and experience;</li> <li>Honesty, integrity, professional conduct or business ethics of the Director;</li> <li>Contributes logical opinions and constructive suggestions during the decision-making process; and</li> <li>Is well prepared and adds value to</li> </ul> </td> </tr> </tbody> </table>	Criteria for Board Evaluation	Criteria for Individual Director Evaluation	<ul style="list-style-type: none"> <li>Evaluation of organisation performance against industry norms and measurement of performance indicators;</li> <li>Achievement of Board objectives, quality of decisions (value-adding, relevance) and addressing Environmental, Social and Governance (“ESG”) issues;</li> <li>Ability to conduct business honestly, ethically and professionally;</li> <li>Effective committee structures;</li> <li>Frequency and duration</li> </ul>	<ul style="list-style-type: none"> <li>Commitment in terms of time and effort;</li> <li>Attendance at Board meetings;</li> <li>Ability to offer insights, add value and contribute with personal knowledge and experience;</li> <li>Honesty, integrity, professional conduct or business ethics of the Director;</li> <li>Contributes logical opinions and constructive suggestions during the decision-making process; and</li> <li>Is well prepared and adds value to</li> </ul>
	Criteria for Board Evaluation	Criteria for Individual Director Evaluation				
<ul style="list-style-type: none"> <li>Evaluation of organisation performance against industry norms and measurement of performance indicators;</li> <li>Achievement of Board objectives, quality of decisions (value-adding, relevance) and addressing Environmental, Social and Governance (“ESG”) issues;</li> <li>Ability to conduct business honestly, ethically and professionally;</li> <li>Effective committee structures;</li> <li>Frequency and duration</li> </ul>	<ul style="list-style-type: none"> <li>Commitment in terms of time and effort;</li> <li>Attendance at Board meetings;</li> <li>Ability to offer insights, add value and contribute with personal knowledge and experience;</li> <li>Honesty, integrity, professional conduct or business ethics of the Director;</li> <li>Contributes logical opinions and constructive suggestions during the decision-making process; and</li> <li>Is well prepared and adds value to</li> </ul>					

	<p>of board meetings; quality of board papers; relevance and completeness of agendas;</p> <ul style="list-style-type: none"> <li>• Information and advice received in a relevant, adequate and timely manner;</li> <li>• Consideration of the appropriate mix of Directors' characteristics, experience and skills; and</li> <li>• Ability to interact with shareholders effectively.</li> </ul>	Board/Committee meetings.
	<p>Based on the BEE, the Board is satisfied with the performance and effectiveness of its members and committees in FY2023.</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>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Fees and benefits payable to the Non-Executive Directors are based on their respective roles and responsibilities and are deliberated on and decided by the Board as a whole, with the Director concerned abstaining from deliberations and voting on decision in respect of his/her remuneration before they are presented to shareholders for approval at the AGM. In addition, Directors who are shareholders also abstain from voting on any resolution to approve Directors' fees and benefits at the AGM.</p> <p>For Non-Executive Directors, their remuneration and incentives shall not conflict with their obligation to bring objectivity and independent judgment.</p> <p>The remuneration strategy for the MD and KSM executives entails according to them competitive pay-outs. At the same time, an integrated pay and benefits structure is leveraged to reward individuals for their performance so that they contribute to the success of the Company. The RC shall recommend to the Board the remuneration package of the MD and KSM 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>For more details, please refer to the Remuneration Policy for Board and KSM on the Company's website at <a href="http://www.amway.my">www.amway.my</a>.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC is responsible for establishing the framework and determining the remuneration of the MD, Non-Executive Directors and KSM. 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 the KSM.</p> <p>The resolutions on the approval of fees for each Non-Executive Director are tabled separately at the Company's AGM for shareholders' approval.</p> <p>From 1 January 2023 to 14 March 2023, the RC comprised the following:</p> <ul style="list-style-type: none"><li>• Mr. Scott Russell Balfour (Chairman, Non-INED);</li><li>• En. Abd Malik Bin A Rahman (Member, INED); and</li><li>• Datin Seri Azreen Binti Abu Noh (Member, INED).</li></ul> <p>Effective 15 March 2023, Ms. Ho Kim Poi was appointed as a RC member. For the period from 15 March 2023 until the conclusion of the 28<sup>th</sup> AGM on 24 May 2023, the RC comprised the following:</p> <ul style="list-style-type: none"><li>• Mr. Scott Russell Balfour (Chairman, Non-INED);</li><li>• En. Abd Malik Bin A Rahman (Member, INED);</li><li>• Datin Seri Azreen Binti Abu Noh (Member, INED); and</li><li>• Ms. Ho Kim Poi (Member, INED).</li></ul> <p>Upon the conclusion of the 28<sup>th</sup> AGM, En. Abd Malik Bin A Rahman ceased to be a member of the RC following his appointment as the Board Chairman. This was to ensure continued compliance with Practice 1.4 of the MCGG, which stipulates that the Chairman of the Board should not be a member of the AC, NC or RC. Following the conclusion of the</p>

	<p>28<sup>th</sup> AGM, the RC comprised the following:</p> <ul style="list-style-type: none"> <li>• Mr. Scott Russell Balfour (Chairman, Non-INED);</li> <li>• Datin Seri Azreen Binti Abu Noh (Member, INED); and</li> <li>• Ms. Ho Kim Poi (Member, INED).</li> </ul> <p>The TOR of the RC are available on the Company's website at <a href="http://www.amway.my">www.amway.my</a>.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The remuneration of the Directors for FY2023 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 <sup>(1)</sup>	Executive Director	-	-	-	-	-	-	-	-	-	2,122.8	1,069.0	473.1	-	<b>3,664.9</b>
2	Tan Sri Faizah Binti Mohd Tahir <sup>(2) (3)</sup>	Independent Director	48.6	1.3	-	-	2.3	-	<b>52.2</b>	48.6	1.3	-	-	2.3	-	<b>52.2</b>
3	En. Abd Malik Bin A Rahman <sup>(2) (4)</sup>	Independent Director	110.3	13.0	-	-	7.5	-	<b>130.8</b>	110.3	13.0	-	-	7.5	-	<b>130.8</b>
4	Ms. Ho Kim Poi <sup>(2) (5)</sup>	Independent Director	68.6	9.1	-	-	-	-	<b>77.7</b>	68.6	9.1	-	-	-	-	<b>77.7</b>
5	Dato' Abdullah Thalith Bin Md Thani <sup>(2)</sup>	Independent Director	83.8	14.3	-	-	0.4	-	<b>98.5</b>	83.8	14.3	-	-	0.4	-	<b>98.5</b>
6	Mr. Low Han Kee <sup>(2)</sup>	Non-Executive Non-Independent Director	76.1	10.4	-	-	5.5	-	<b>92.0</b>	76.1	10.4	-	-	5.5	-	<b>92.0</b>
7	Mr. Scott Russell Balfour <sup>(2)</sup>	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Datin Seri Azreen Binti Abu Noh <sup>(2) (6)</sup>	Independent Director	85.5	15.6	-	-	4.4	-	<b>105.5</b>	85.5	15.6	-	-	4.4	-	<b>105.5</b>
9	Pn. Aida Binti Md Daud <sup>(2)</sup>	Non-Executive Non-Independent Director	69.5	5.2	-	-	5.8	-	<b>80.5</b>	69.5	5.2	-	-	5.8	-	<b>80.5</b>
<b>Total</b>			<b>542.4</b>	<b>68.9</b>	-	-	<b>25.9</b>	-	<b>637.2</b>	<b>542.4</b>	<b>68.9</b>	<b>2,122.8</b>	<b>1,069.0</b>	<b>499.0</b>	-	<b>4,302.1</b>

Notes:

- (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) Retired as Board Chairperson, upon the conclusion of the 28<sup>th</sup> AGM on 24 May 2023.
- (4) Re-designated as the Board Chairman and ceased to be the AC Chairman and a member of NC and RC upon the conclusion of the 28<sup>th</sup> AGM on 24 May 2023.
- (5) Appointed as a Board member, AC member and RC member on 15 March 2023; and re-designated as the AC Chairperson upon the conclusion of the 28<sup>th</sup> AGM on 24 May 2023.
- (6) Appointed as NC member on 15 March 2023.

### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<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 disclosures on a named basis for the remuneration of the top five (5) Senior Management personnel or KSM positions are not in the best interests of the Group.</p> <p>During FY2023, the KSM consists of the Chief Financial Officer ("CFO"), Chief Sales &amp; Experience Officer, Chief Marketing Officer, Head of Human Resources and Head of Corporate &amp; Government Affairs. On 1 March 2024, Mr. Jason Leng Kek Mun joined Amway as General Manager and became a member of the KSM team.</p> <p>From 1 January 2023 until March 2023, one (1) of the five (5) positions (i.e. that of Chief Sales &amp; Experience Officer) was vacant. The said position was subsequently filled in April 2023 upon Ms. Wang Yanwei joining the KSM team.</p> <p>In respect of FY2023, the total remuneration for Amway's KSM was approximately RM3.150 million, which takes into account the vacant period for the Chief Sales &amp; Experience Officer.</p> <p>The remuneration package for the KSM is divided into total cash and benefits, which is between the market median of the 50th percentile to the 60th percentile<sup>(1)</sup>. 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 the 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</p>

	for the KSM. The profiles of the KSM are set out in Amway's Annual Report 2023.	
	(1) <i>Reference is made to Mercer's 2023 Total Remuneration Survey under the General Industry and Consumer Goods Industry data.</i>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
5								

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>En. Abd Malik Bin A Rahman was the Chairman of the AC until the conclusion of the 28<sup>th</sup> AGM on 24 May 2023. During this period, Tan Sri Faizah Binti Mohd Tahir was the Chairperson of the Board.</p> <p>En. Abd Malik Bin A Rahman then stepped down as the AC Chairman after the 28<sup>th</sup> AGM following his re-designation as the new Board Chairman succeeding Tan Sri Faizah Binti Mohd Tahir who retired. Concurrently, Ms. Ho Kim Poi, an AC member, was re-designated as the AC Chairperson to replace En. Abd Malik Bin A Rahman.</p> <p>The TOR of the AC are available on the Company's website at <a href="http://www.amway.my">www.amway.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC's TOR states that a former partner of the external audit firm and/or affiliated firm is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.</p> <p>To-date, no former partners of the external audit firm and/or affiliate firm have been appointed to the Board.</p> <p>The TOR of the AC are available on the Company's website at <a href="http://www.amway.my">www.amway.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had put in place a Policy on External Auditors which includes the policy on non-audit services provided by the External Auditors. The policy covers the External Auditors' appointment, re-appointment, rotation of audit engagement partners 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"><li>• Independence and objectivity;</li><li>• Competency, quality of service and non-audit services rendered by the External Auditors;</li><li>• Rigour and quality of the audit;</li><li>• Effectiveness and timeliness of communicating and reporting to the AC;</li><li>• Level of understanding of the Group's business;</li><li>• Resource adequacy; and</li><li>• Appropriateness of the audit fee to support a quality audit.</li></ul> <p>The AC also reviews the appropriateness of the proposed audit fees as well as the nature of non-audit services and their fees before making a recommendation for the Board's approval. For details of the audit and non-audit fees paid to the External Auditors, please refer to the CG Overview Statement within Amway's Annual Report 2023.</p> <p>Having assessed the external audit function, the Board via the AC is satisfied with their overall performance.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>En. Abd Malik Bin A Rahman was the Chairman of the AC until the conclusion of the 28<sup>th</sup> AGM on 24 May 2023. He then stepped down as the AC Chairman after the 28<sup>th</sup> AGM following his re-designation as the new Board Chairman succeeding Tan Sri Faizah Binti Mohd Tahir who retired. Concurrently, Ms. Ho Kim Poi, an AC member, was re-designated as the AC Chairperson to replace En. Abd Malik Bin A Rahman.</p> <p>En. Abd Malik Bin A Rahman is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, as well as a Fellow of the Association of Chartered Certified Accountants (UK).</p> <p>Ms. Ho Kim Poi is a member of the Malaysian Institute of Accountants, CPA Australia and Institute of Corporate Directors Malaysia.</p> <p>The other members of the AC are also financially literate.</p> <p>In FY2023, all AC members continued to undergo the relevant periodic training to enhance their skills and better fulfil their duties.</p> <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>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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, sustainability, 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>For further information, please refer to the Statement on Risk Management and Internal Control (“SORMIC”) within Amway’s Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<p><b>Application</b> :</p>	<p>Applied</p>
<p><b>Explanation on application of the practice</b> :</p>	<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 style="text-align: center;"> <p>The diagram illustrates the ERM framework. It consists of three main components: ERM Infrastructure, ERM Process, and ERM Integration. The ERM Process is a circular flow of five steps: 1. Context Establishment (Internal and external), 2. Risk Assessment (incl. Corruption Risk Assessment) (Identify, Analyse &amp; Evaluate Risk and Opportunity Arising from Risk), 3. Risk Action Implementation (Develop Key Action Plans), 4. Risk Action Monitoring (Monitor &amp; Report on Implementation of Action Plans), and 5. Continuous Monitoring &amp; Embedment (KRIs, Embedment of New Internal Controls). The process is supported by ERM Infrastructure (Vision/Mission, Leadership &amp; Commitment of the Board of Directors/Management, Risk Culture, ERM Policy, ERM Reporting Structure/Frequency, ERM Roles &amp; 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 also supported by four cross-cutting themes: Communication, Awareness/Training, Continuous Improvement, and Change Management.</p> </div>

The Group's risk profile is expressed through the use of a risk impact and likelihood matrix as follows:

Likelihood		Magnitude of Impact				
		Insignificant ①	Minor ②	Moderate ③	Major ④	Catastrophic ⑤
⑤	Almost Certain	Medium	Medium	High	Extreme	Extreme
④	Likely	Medium	Medium	High	High	Extreme
③	Possible	Low	Medium	Medium	High	High
②	Unlikely	Low	Low	Medium	Medium	High
①	Rare	Low	Low	Medium	Medium	High

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.

For further information, please refer to the AC Report and SORMIC within Amway's Annual Report 2023.

**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**

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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Amway’s internal audit function is outsourced to KPMG Management &amp; Risk Consulting Sdn. Bhd. (“KPMG MRC”), 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>During the financial year under review, KPMG MRC conducted three (3) internal audit cycles and reported its findings to the AC.</p> <p>Based on the performance evaluation conducted on KPMG MRC in FY2023, the AC is satisfied with the performance and effectiveness of the internal auditors, including the adequacy of the scope, function, competency and resources.</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 2023.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has outsourced its internal audit function to KPMG MRC, which is an independent external professional firm and free from any relationships or conflicts of interest.</p> <p>For FY2023, the KPMG MRC team of five (5) was headed by En. Mohd Khaidzir Shahari, who is a Chartered Accountant of the Malaysian Institute of Accountants; a Certified Global Management Accountant; a Certified Internal Auditor of The Institute of Internal Auditors Inc; and a Chartered Member of the 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 entities including those in the consumer markets (retail and distribution management).</p> <p>The internal audits performed are based on the KPMG MRC 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 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has established an Investor Relations Policy and this policy serves as the foundation of Amway's Investor Relations programme. It also serves 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 Senior Management 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 Senior Management have initiated active communication. The following are some of the active communications that were undertaken during FY2023:</p> <ul style="list-style-type: none"><li>• Sharing of quarterly interim performance and full year financial results with regulators and the media;</li><li>• Dissemination of circulars;</li><li>• Publication of the Company's Annual Report and Group's audited financial statements;</li><li>• Convening of the AGM to table the Company's Annual Report including the Group's audited financial statements and to address queries from shareholders; and</li><li>• Organisation of analyst briefing with investors and analysts.</li></ul> <p>Stakeholders can view information announced by Amway on its corporate website at <a href="http://www.amway.my">www.amway.my</a>. The Company's corporate information, financial information, Company's announcements</p>

	and other related communications and information are also available on its corporate website.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Notice of the 28<sup>th</sup> AGM dated 19 April 2023 was distributed 35 days in advance of the AGM held on 24 May 2023.</p> <p>The Notice of AGM also provided detailed explanations of the resolutions proposed together with the Statement Accompanying the Notice of AGM to enable shareholders to make informed decisions in exercising their voting rights.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All nine (9) Directors participated in the 28<sup>th</sup> AGM held on 24 May 2023, which was conducted virtually through live streaming from the broadcast venue to facilitate remote shareholders' participation and online electronic poll voting.</p> <p>All the Directors (including the Chairman of the AC, NC and RC), CFO and Company Secretary were present at the broadcast venue, while the External Auditors and advisors participated remotely to address relevant questions.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company’s 28<sup>th</sup> AGM held on 24 May 2023 was conducted virtually through live streaming from the broadcast venue to facilitate remote shareholders’ participation and online electronic poll voting.</p> <p>This was 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 28<sup>th</sup> AGM was conducted using the Remote Participation and Voting (“RPV”) facilities from Tricor Investor &amp; Issuing House Services Sdn. Bhd. (“Tricor”).</p> <p>Tricor had put in place information security measures to prevent cyberattacks and data breaches, which included hosting the RPV facilities on a secured 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 while 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 to ensure a smooth virtual AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Company's 28<sup>th</sup> AGM was held in a virtual manner for the fourth 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 TIH Online website and the questions received were addressed at the AGM.</p> <p>At the 28<sup>th</sup> AGM, all the Directors (including the Chairman of the AC, NC and RC), CFO and Company Secretary were present at the broadcast venue, while the External Auditors and advisors participated remotely to facilitate a vigorous discussion with shareholders.</p> <p>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 in 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 were 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 relations email at <a href="mailto:ir@amway.com">ir@amway.com</a>.</p>
<b>Explanation for departure</b>	:

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

**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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Company’s 28<sup>th</sup> 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 TIH 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 were posted on the Company’s website.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the 28 <sup>th</sup> AGM together with the Company's response to questions received in advance and those raised during the AGM was made available to shareholders on the Company's website at <a href="http://www.amway.my">www.amway.my</a> within 30 business days after the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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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