



Amway (Malaysia) Holdings Berhad
Registration No: 199501011153 (340354-U)

BOARD CHARTER

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1. PURPOSE AND OBJECTIVE

The Board of Directors (“Board”) of Amway (Malaysia) Holdings Berhad (“Amway” or “Company”) recognises that corporate governance is the key to the sustainability and long-term success of the Company and its subsidiaries (collectively, “Group”) and is committed towards adhering to the high standards of corporate governance as guided by the Malaysian Code on Corporate Governance 2021.

The purpose of this Board Charter is to:

- (a) promote high standards of corporate governance;
- (b) clarify the role and responsibilities of the Board; and
- (c) enable the Board to provide leadership, strategic guidance to the Group and effective management oversight.

The Board Charter is complementary to the applicable legislation and the Constitution of the Company and is not intended to overrule or pre-empt the statutory requirements of Directors enshrined in the Companies Act 2016, the Income Tax Act 1967 or other relevant statutes.

In the event of a conflict between the Constitution of the Company and the Board Charter, the provisions of the former shall have precedence.

2. SIZE AND COMPOSITION

- 2.1 The size of the Board shall be in accordance with the Constitution of the Company. The Board shall, with the assistance of the Nominating Committee, examine its size from time to time, with a view towards determining the impact of the number on the Board’s effectiveness.
- 2.2 The Board shall be chaired by an Independent Non-Executive Director who provides strong leadership and stewards the Board’s priorities objectively. The Chairperson of the Board should not be a member of the Audit Committee, Nominating Committee or Remuneration Committee.
- 2.3 The Board recognises the importance of independence and objectivity in the decision-making process. At least half of the Board shall consist of Independent Non-Executive Directors to ensure a balance of power and authority on the Board.
- 2.4 For the assessment and recommendation of candidates for appointment as Directors, the Nominating Committee shall be guided by the Terms of Reference of the Nominating Committee.

- 2.5 The Board may identify and appoint from amongst its Independent Non-Executive Directors, a Senior Independent Director, to whom the concerns of Directors and shareholders of the Company may be conveyed.

3. ROLES AND RESPONSIBILITIES

3.1 The Board

The Board operates pursuant to the powers and is subject to the rules in the Constitution of the Company.

The Board is responsible for the stewardship of Amway's business and affairs on behalf of the shareholders with a view to enhance long-term shareholder value whilst taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.

The Board reserves a formal schedule of matters for its decision to ensure that the direction and control of the Group is firmly in its hands. This includes the following, amongst others:

- strategic issues and planning, including sustainability;
- budget and performance reviews;
- material acquisitions and disposals of assets;
- capital expenditures;
- limits of authority;
- treasury policies;
- risk management policies and activities;
- appointments of external auditors;
- announcements to Bursa Malaysia Securities Berhad;
- approval of the Group's and Company's financial statements;
- financing and borrowing activities;
- ensuring regulatory compliance; and
- reviewing the adequacy and integrity of internal controls.

The Board has established an internal audit function which is independent of the activities it audits and the internal audit service provider shall report directly to the Audit Committee.

The principal responsibilities of the Board are:

(a) Reviewing and adopting a strategic plan for the Group

- review, challenge and adopt Management's strategic plan proposals and monitor its implementation by Management; and

- ensure the strategic plans support long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.

(b) Overseeing the conduct of the Group's business

- oversee the conduct of the Group's businesses, supervise, assess Management's performance and evaluate whether or not the businesses are being properly managed. The Board shall ensure that an appropriate financial planning, operating and reporting framework, as well as an embedded risk management framework, is established. Elements of this combined framework include the operating plan and budget (including capital expenditure budget), financial statements, performance review reports, and risk management reports;
- ensure the integrity of the Company's financial and non-financial reporting; and
- ensure that all Directors are able to understand financial statements and form a view on the information presented.

(c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

- understand the principal risks of the Group's business and recognize that business decisions involve the taking of appropriate risks;
- identify principal business risks faced by the Group, set the risk appetite within which the Board expects Management to operate and ensure there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks, including corruption risks; and
- review and ensure the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

(d) Succession planning and reviewing remuneration

- consider and implement succession planning and review the remuneration of the Board and Key Senior Management.

(e) Communication with stakeholders

- develop and implement an investor relations programme for effective communication with stakeholders.

(f) Sustainability

- together with Management, take responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets;
- ensure that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders;
- take appropriate action to stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities; and
- ensure performance evaluations and remuneration of the Board and Key Senior Management include a review of their performance in addressing the Company's material sustainability risks and opportunities.

(g) Others

- ensure a collaborative and constructive relationship between the Board and Key Senior Management;
- promote a good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour together with Key Senior Management; and
- ensure that the Group adheres to high standards of ethics and corporate behaviour.

3.2 The Chairperson

The Chairperson is primarily responsible for:

- (a) presiding at Board meetings and general meetings of the Company;
- (b) providing effective leadership for the Board so that the Board can perform its responsibilities effectively;
- (c) leading the Board in establishing and instilling good corporate governance practices in the Group;
- (d) maintaining regular dialogue with the Managing Director over operational matters and consulting with the remaining Board members promptly over any matters that give the Chairperson cause for major concern;
- (e) leading Board meetings and discussions and acting as a facilitator at Board meetings to ensure that no member, whether executive or non-executive, dominates discussion so that appropriate discussions take place and that relevant opinions amongst members are forthcoming. The Chairperson shall ensure that discussions result in logical and understandable outcomes;
- (f) encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;
- (g) setting the Board agenda and ensuring Board members receive complete and accurate information in a timely manner;

- (h) managing the interface between the Board and Management;
- (i) ensure that general meetings support meaningful engagement between the Board, Key Senior Management and shareholders; and
- (j) representing the Board to shareholders and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

3.3 Managing Director

The position of Managing Director, in essence, is to ensure the effective implementation of the Group's strategic plan and policies established by the Board as well as to manage the daily conduct of the business to ensure its smooth operations.

At each of its scheduled meetings, the Board should expect to receive from or through the Managing Director:

- summary reports on the performance and activities of the Group and specific proposals for capital expenditure acquisitions and disposals; and
- such assurances as the Board considers necessary to confirm that Management's limits are being observed.

Generally, the Managing Director is responsible for:

- (a) developing and ensuring the execution of day-to-day operational strategies together with the Management team;
- (b) developing strategies, business plans, targets, annual operating plans and budgets to be adopted by the Board;
- (c) implementing, monitoring and providing effective leadership to the Management team towards the achievement of the approved plans, budgets, strategic objectives and direction set by the Board;
- (d) developing and maintaining the Group's risk management systems, including internal control mechanisms and ensuring the Group is operating within the risk appetite set by the Board
- (e) managing resources within budgets approved by the Board;
- (f) effectively representing the interest of the Group with major customers, regulatory bodies, and industries at large, to ensure general goodwill towards the Group and cooperation in planned development;
- (g) assuring that the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
- (h) providing accurate and timely information to the Board and Board Committees to enable them to carry out their responsibilities; and
- (i) acting within specific authorities delegated to him by the Board and ensuring the limits of authority accorded by the Board are observed.

In discharging his responsibilities, the Managing Director can delegate appropriate functions to any Executive Director, who shall report to the Managing Director.

3.4 Executive and Non-Executive Directors

Executive Directors are, as employees, involved in the day-to-day management of the Company and Group. Non-Executive Directors are:

- those who have no direct or indirect pecuniary interest in the Company other than their Directors' emoluments and their "permitted" holdings of shares in the Company;
- those who are not employees of the Company or affiliated with it in any other way and are not involved in the day-to-day running of business but may have pecuniary interest in the Company, whether direct or indirect; or
- those who are not employees of the Company but are standing as nominees for substantial shareholders.

The Companies Act 2016 makes no distinction between Executive and Non-Executive Directors in terms of the legal duties that are imposed on Directors.

Non-Executive Directors may act as a bridge between Management, shareholders and other stakeholders. They should provide the relevant check and balance, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

3.5 Independent Non-Executive Directors

Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. Their role is focused on performance monitoring and enhancement of corporate governance and controls while providing an independent perspective of proposals and plans put forward by Executive Directors and/or Management.

Since an Independent Non-Executive Director has no conflict of interests in the discharge of duties, he/she ought to approach any approval for a transaction or other matter that is being sought at the Board level with a watchful eye and with an inquiring mind.

An Independent Non-Executive Director is especially important in areas where the interests of Management, the Company and/or the shareholders diverge, such as executive performance and remuneration, related party transactions and audit.

Independent Non-Executive Directors are expected to:

- (a) safeguard the interests of all shareholders, not only the interests of a particular group, and ensure all relevant matters and issues are objectively and impartially considered by the Board in the decision-making process;
- (b) specifically look into matters of corporate governance within the Group while providing an independent perspective of the proposals and plans put forward by the Managing Director and/or Management; and
- (c) monitor the areas of discussion, notably those where potential conflicts of interest may arise.

3.6 Senior Independent Non-Executive Director

Where the Board appoints a Senior Independent Non-Executive Director, he/she shall have the following responsibilities:

- (a) act as an intermediary for other Directors when necessary; and
- (b) be the point of contact for shareholders and other stakeholders.

4. TENURE OF DIRECTORS

- 4.1 Pursuant to the Constitution of the Company, all Directors must retire at least once every three (3) years but shall be eligible for re-election subject to satisfactory evaluation of the Director's performance and contribution to the Board.
- 4.2 The tenure of an Independent Non-Executive Director shall not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Non-Executive Director, may continue to serve on the Board as a Non-Independent Non-Executive Director.
- 4.3 If the Board intends to retain an Independent Non-Executive Director beyond nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

5. BOARD COMMITTEES

- 5.1 The Board has the right to establish Board Committees from time to time in the discharge of its duties and responsibilities. Where a Board Committee is formed, specific terms of reference of the Board Committee shall be established in writing to cover matters such as the purpose, composition and functions of the Board Committee.
- 5.2 The Board has established three (3) permanent Board Committees namely, the Audit Committee, Nominating Committee and the Remuneration Committee. The Board may establish ad-hoc committees on a need basis.

- 5.3 The Board is collectively responsible for any decision taken by any Board Committee. A Board Committee may only perform the tasks delegated to it by the Board and should not exceed the authority conferred on it by the Board. Decisions which by law should be made by the Board shall not be delegated to a Board Committee.

6. BOARD MEETINGS AND ATTENDANCE

- 6.1 The proceedings of Board meetings shall be in accordance with the Constitution of the Company.
- 6.2 Board meetings will be conducted at least four (4) times on a quarterly basis in each financial year with additional meetings to be convened if required. The Company Secretary shall in advance prepare and distribute to all Directors a timetable for the meetings for the year.
- 6.3 The notice of a Directors' meeting shall be given in writing at least five (5) business days, or shorter notice where it is unavoidable, prior to the meeting. The Chairperson, in conjunction with the Management team and the Company Secretary, shall undertake the primary responsibility for preparing the Board's agenda. The agenda shall include, amongst other things, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof, in discharging its duties and responsibilities.
- 6.4 The agenda shall address high-priority strategic and operational issues, where necessary, and the Chairperson shall ensure that there is enough time for discussion. Agenda issues shall be aligned with the overall Company's context, including its starting situation, aspiration and priorities.
- 6.5 To allow sufficient time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least five (5) business days, or a shorter period where unavoidable, prior to the meeting. Where there is a need to table a report, a brief statement of findings and/or recommendations is prepared.
- 6.6 Each Director will, prior to attending the meetings, review all materials provided by the Company relating to matters to be considered at the meetings.
- 6.7 The Management Team and external advisers may be invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.
- 6.8 Minutes are prepared following a Board meeting and are circulated in draft form. The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting. The practice is for minutes to record processes and decisions rather than a historical narrative of the discussion or concluding remarks of final decisions made. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

- 6.9 Where there are Executive Directors on the Board, the Non-Executive Directors are encouraged to meet among themselves at least annually to discuss among others strategic, governance and operational issues.

7. BOARD PERFORMANCE

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and the Board Committees. On an annual basis, the Board, with the assistance of the Nominating Committee, shall evaluate its own performance and the extent to which the Board has met the requirements of its Board Charter, including the assessment on the Board as a whole, Board Committees and individual Directors. Reference shall be made to the Terms of Reference of the Nominating Committee.

8. DIRECTORS' REMUNERATION

- 8.1 The Board recognizes that the importance of attracting, motivating and retaining highly qualified members of the Board is essential for driving Amway forward in the realisation of its business objectives and strategic goals.
- 8.2 The Remuneration Committee is tasked by the Board to evaluate and assess the remuneration of Directors on a yearly basis and make the appropriate recommendations to the Board. In making the assessment, the Remuneration Committee shall be guided by the Remuneration Policy for Board and Key Senior Management established by the Board.

9. CONFLICT OF INTEREST

- 9.1 The Constitution of the Company stipulates that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain from casting votes in any matter arising thereof unless otherwise as provided for in the Constitution of the Company.
- 9.2 Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interest of the Company.
- 9.3 An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.
- 9.4 The Company Secretary should facilitate the Directors' annual independence and conflict of interest declarations, which will allow the Directors to perform an annual self-declaration on independence (i.e. for Independent Non- Executive Directors) and conflict of interest (i.e. for all Directors).

10. DIRECTORS' TIME COMMITMENT

- 10.1 Directors shall devote sufficient time to carry out their responsibilities. A Director shall not hold more than five (5) directorships in listed issuers as prescribed by Bursa Malaysia Securities Berhad.
- 10.2 The Board should obtain this commitment from Directors prior to their appointment. Every Director must attend at least 50% of the total Board of Directors' meetings held during a financial year. Directors shall notify the Chairperson before accepting any new directorships and the notification shall provide for an indication of time that will be spent on the new appointment.

11. ACCESS TO INFORMATION

- 11.1 The record of submissions, papers and materials presented to the Board are maintained and held by the Company Secretary, together with minutes of meetings, and are accessible to Directors.
- 11.2 Every Director has unrestricted access to information pertaining to the Company that is relevant to the furtherance of their duties and responsibilities as Directors and unrestricted access to the advice and services of the Company Secretary.

12. INDEPENDENT PROFESSIONAL ADVICE

- 12.1 In discharging his/her duties, each Director is entitled to obtain independent professional advice at the expense of the Company.
- 12.2 If a Director considers such advice necessary for the discharge of duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairperson and, having done so, be free to proceed, where appropriate.
- 12.3 Subject to prior approval of the Chairperson, the cost of the advice will be reimbursed by the Company but the Director will ensure, so far as is practicable, that the cost is reasonable.
- 12.4 Independent advice sought shall exclude those of personal interests relating to the Director's personal disputes in matters that are not related to or affect the Board or the Company as a whole.

13. INDUCTION PROCESS AND TRAINING PROGRAMME

- 13.1 The objective of the induction process and training programme is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the marketplace pertaining to the oversight function of Directors.

13.2 Induction of Directors may include, but are not limited to, the following:

- (a) time with other Directors to enable further insights and knowledge of the Company, in particular the Chairperson, the Company Secretary and the Independent Director, if he is a functional specialist;
- (b) furnishing copies of the previous Board minutes for at least the past six (6) months;
- (c) visits to key sites;
- (d) additional Board or Board Committee meetings as circumstances warrant during a given year. As in-depth knowledge of the particulars of the Group's business is vital for each Director, Management is encouraged to structure Board or Board Committee meetings to allow direct involvement and review of operational activities (for example, by holding Board meetings in field operations and including market/business activities in the Board meetings); and
- (e) a formal one (1) to two (2) day induction programme, including the elements above, and also presentations by Management.

13.3 Newly appointed Directors are to undergo the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad. In addition, Directors are required to attend relevant training courses or seminars at periodic intervals to keep them abreast with development pertaining to the oversight function of Directors as well as updates on technical matters. The Board, with assistance from the Nominating Committee, shall identify the training needs and suitable training programmes for Directors.

13.4 The costs of the induction, Mandatory Accreditation Programme and/or continuing education programmes shall be borne by the Company.

14. COMPANY SECRETARY

14.1 The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board shall be 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.

14.2 Primary responsibilities of the Company Secretary shall include:

- (a) advising the Board on its roles and responsibilities;
- (b) advising the Board on corporate disclosures and compliance with the Companies Act 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

- (c) ensuring that Board procedures and applicable rules are observed during meetings;
- (d) attending and recording minutes of the Board and Board Committee meetings and facilitating communications;
- (e) maintaining records of the Board and Board Committees and ensuring effective management of the Company's statutory records;
- (f) monitoring corporate governance developments and assisting the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations;
- (g) manage processes pertaining to the annual general meetings and general meetings; and
- (h) carrying out other functions as may be directed by the Board from time to time.

15. THE BOARD'S RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

15.1 The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.

15.2 Annual General Meetings ("AGMs") and Extraordinary General Meetings (collectively, "General Meetings") of the Company are to be conducted in an efficient manner and serve as an important channel for shareholder communication. Key elements for this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the General Meetings.

15.3 The Board will focus its efforts on the following best practices to enhance the effectiveness of the General Meetings:

- (a) ensure the notice of an AGM is given at least 28 days before the date of the AGM;
- (b) all Directors are to attend the General Meetings;
- (c) ensure that each item of special business included in the notice of an AGM is accompanied by a full explanation of the effects of the proposed resolution;
- (d) ensure that the notice of an AGM states which Directors are standing for election or appointment, with a brief description on their age, relevant experience, designation in the Company, list of directorships, date of appointment to the Board, membership in any Board Committees, 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 Company as a whole and whether the Board is in support of the re-election or appointment and the reasons why;
- (e) ensure that the Chairman provides reasonable time for discussion at the General Meeting;

- (f) 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. Where appropriate, the Board will provide the enquirer with a written answer to any significant question which cannot be answered immediately;
- (g) ensure that the resolutions set out in the notice of General Meeting are voted by poll;
- (h) ensure that at least one (1) scrutineer is appointed to validate the votes cast at the General Meeting. Such scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process;
- (i) ensure that there is a channel of communication through the Company Secretary on feedback and queries from shareholders;
- (j) ensure minutes of the General Meeting will be circulated to shareholders or uploaded onto the Company's website no later than 30 business days after the General Meeting.

16. DIVERSITY AT BOARD AND KEY SENIOR MANAGEMENT LEVELS

The Board believes that building a diverse and inclusive culture is integral to the success and long term-sustainability of the Group. For this purpose, the Board has established the Board and Key Senior Management Diversity Policy as a framework for applying the principles of diversity when recruiting, developing and appointing Board members and Key Senior Management executives.

17. CODE OF CONDUCT AND ETHICS

- 17.1 The Board has in place the Code of Conduct and Ethics which is formulated to enhance the standard of corporate governance and behaviour. It applies to all the Directors, Senior Management and employees of the Group.
- 17.2 The Directors shall individually acknowledge and confirm adherence to the Code of Conduct and Ethics upon their appointment to the Board.

18. ANTI-BRIBERY AND CORRUPTION STAND

- 18.1 The Group adopts a zero-tolerance approach to all forms of bribery and corruption as well as takes a strong stance against such acts. The Group is committed to conducting business in an honest and ethical manner, as well as to complying with all applicable laws and regulations. To this end, the Board has established a Group-wide Anti-Bribery and Corruption Policy ("ABAC Policy").

18.2 The ABAC Policy sets out the Group's position on bribery and corruption in all its forms and provides principles, guidelines, and requirements on how to deal with bribery and corrupt practices that may occur within the Group as well as in its interactions with its business associates. The ABAC Policy applies to the Board, employees and business associates of the Group including external parties performing work or services for or on behalf of the Group.

19. WHISTLEBLOWER POLICY

The Group is committed to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs. The Board has established a Whistleblower Policy with the appropriate channels to facilitate feedback. This allows employees, people performing services for the Group (including contractors and service providers) and members of the public to disclose information pertaining to misconduct or improprieties in a timely as well as safe and secure manner. The confidentiality of the whistleblower is assured throughout the process.

20. REVIEW OF THE BOARD CHARTER

This Board Charter shall be periodically reviewed and updated by the Board taking into consideration the needs of the Group as well as any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.