



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

**TERMS OF REFERENCE
OF THE NOMINATING COMMITTEE**

TERMS OF REFERENCE FOR NOMINATING COMMITTEE

1. OBJECTIVES

The primary function of the Nominating Committee (“NC”) formed by the Board of Directors (“Board”) of Amway (Malaysia) Holdings Berhad (“Amway” or “Company”) is to assist the Board in reviewing the structure, size and composition of the Board and Key Senior Management of the Company and its subsidiaries (collectively “Group”), having regard to the following principles:

- ensuring alignment with the Company’s mission, vision, culture and values;
- developing succession plans to have a diverse pipeline for board and management succession;
- appointments are based on merit, objective criteria and with due regard to diversity;
- having an appropriate balance of skills, knowledge and experience on the Board and in Key Senior Management; and
- refreshing the composition of the Board periodically, taking into account the length of service of the Board as a whole so that it is effective and able to operate in the best interests of shareholders.

2. COMPOSITION AND MEMBERSHIP

- 2.1 The members of the NC shall be appointed by the Board and shall consist of not less than three (3) members, comprising exclusively of Non-Executive Directors, a majority of whom must be independent.
- 2.2 The Chairperson of the NC shall be an Independent Non-Executive Director appointed by the Board.
- 2.3 The Chairperson of the Board shall not be a member of the NC.
- 2.4 If the Chairperson or a member of the NC resigns, dies or for any reason ceases to be a member, resulting in the number of members to be reduced to below three (3), the Board shall take steps to fill in the vacancy within three (3) months of the event.

3. QUORUM AND MEETING PROCEDURES

- 3.1 The NC shall meet at least once a year. More meetings may be conducted if the need arises.
- 3.2 The quorum for a meeting of the NC shall be two (2) members, one of whom shall be an Independent Non-Executive Director.
- 3.3 In the absence of the Chairperson or if he/she is not present at any NC meeting within fifteen (15) minutes of the time appointed for holding the same, the NC members present shall choose one (1) of their numbers to be the Chairperson of the meeting.

- 3.4 A NC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables the NC members as a whole to participate for the entire duration of the meeting. The technology to be used for the purpose of this paragraph must enable each NC member taking part in the meeting to communicate simultaneously with each of the other NC members and may include telephone, video conferencing, or any other audio and/or visual device which permits instantaneous communication.
- 3.5 A virtual meeting shall be deemed to constitute a NC meeting provided the following conditions are met:
 - (a) all the NC members for the time being entitled to receive notice of the NC meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
 - (b) a NC member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairperson of the meeting of his/her intention to leave the meeting and a NC member shall be conclusively presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his/her leaving the meeting.
- 3.6 The main venue of the meeting shall be the place where the Chairperson is present or the Chairperson of the meeting is present, if the meeting is not chaired by the Chairperson.
- 3.7 The Company Secretary of the Company shall be the appointed Secretary (“Secretary”) of the NC. The Secretary, in consultation with the Chairperson, shall draw up an agenda, which shall be circulated together with the relevant supporting papers, at least five (5) business days, or shorter notice where it is unavoidable, prior to each meeting to the members of the NC.
- 3.8 Questions arising at any meeting of the NC which requires decision making must be determined by a majority of votes of the members present, and in the case of an equality of votes, the Chairperson has a second or casting vote. The Chairperson shall not have a second or casting vote when only two (2) members (one of whom is the Chairperson) form a quorum or when only two (2) members are competent to vote on the question at issue.
- 3.9 The NC may, as and when deemed necessary, invite other Board members and Senior Management members to attend the meetings.
- 3.10 The Company shall cause minutes of all proceedings of the NC meeting to be entered in the books kept for that purpose. Minutes of each meeting signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting shall be evidence of the proceedings to which it relates.

- 3.11 Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any of the NC members or Board members.
- 3.12 The NC may pass a resolution by way of a written resolution. A written resolution that is signed by all the NC members shall be valid and effectual as if it were a resolution passed at a NC meeting duly convened and held. Any such document may be accepted as sufficiently signed by a NC member if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the NC members and may consist of several documents in like form, each signed by one or more NC members.

4. AUTHORITY

The NC is authorised by the Board to:

- (a) have the resources which are required to perform its duties;
- (b) have full and unrestricted access to all information and documents within the Group to perform its duties; and
- (c) seek external professional advice at the expense of the Company if the NC considers this to be necessary in the discharge of its responsibilities and invite persons with relevant expertise and knowledge to attend its meetings where deemed necessary.

5. DUTIES AND RESPONSIBILITIES

The following matters shall be dealt with by the NC:

(a) Size and composition of the Board and Board Committees

- review the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills in the best interests of the Company; and
- recommend to the Board, Directors to fill the seats on Board Committees.

(b) Directors

- identify, review and recommend candidates for appointment as Directors, including candidates nominated by shareholders for board representation;
- review the Board's policies and procedures for the selection of Board members;
- develop the criteria for assessing the independence of Independent Non-Executive Directors;
- develop and review the criteria to be used in the annual assessment of the Board, Board Committees and Directors;
- recommend to the Board, the protocol for accepting new directorships;
- facilitate Board induction programme for newly appointed Directors;

- identify suitable training programmes for Directors to ensure they keep abreast with the developments in the industry and regulatory changes, including sustainability issues relevant to the Group's business;
- review and recommend to the Board, the Directors who are subject to rotation and ensure the re-election of a Director shall be contingent on satisfactory evaluation of the Director's performance and contribution to the Board, as well as declaration by the Director on whether there are any existing or potential conflicts of interest that could affect the execution of his/her role as a Director. Upon receiving the declaration of any existing or potential conflict of interest from the Director, the NC shall inform the Audit Committee of the same for the necessary actions to be taken in the circumstances where there is a conflict;
- where there is an Independent Non-Executive Director whose term will exceed/has exceeded the nine (9)-year tenure, the NC shall justify the recommendation to retain the Independent Non-Executive Director after the ninth (9th) year to the Board for consideration. An Independent Non-Executive Director must not serve in the Company and/or in any one or more of the Company's related corporation for a cumulative period of more than twelve (12) years from the date of his/her first appointment as an independent director; and
- deliberate on matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of any Executive Director as an employee of the Company subject to the provisions of the law and the service contract;

(c) Annual review or evaluation

- review the tenure of each Director annually;
- assess the independence of the Independent Non-Executive Directors annually;
- review the term of office and performance of the Board Committees and each of their members annually to determine whether the Board Committees and members have carried out their duties in accordance with their respective Terms of Reference;
- assess annually the effectiveness of the Board as a whole and the contribution of each individual Director having regard to time commitment (including directorship in other listed and non-listed companies), character, experience, integrity, the required mix of skills, experience and other qualities of the Board, including core competencies which Non- Executive Directors should bring to the Board;
- review the NC's own performance annually and present the results of the evaluation to the Board. The NC shall conduct this evaluation in such manner as it deems appropriate; and
- annually review the performance of the Board and Key Senior Management in addressing the Company's material sustainability risks and opportunities.

(d) Succession planning

- establish a policy on succession planning for the Board and Key Senior Management and ensure plans are in place for orderly succession of the Board and Key Senior Management executives, and the development of a diverse pipeline for succession.

(e) Diversity

- establish and oversee the application of the Company's diversity policy for the Board and Key Senior Management.

6. KEY CONSIDERATIONS FOR DIRECTOR SELECTION PROCESS

6.1 The NC may use a variety of approaches and sources to identify the most suitable candidates for board position such as recommendation from existing Board members, Management or major shareholders, sourcing from directors' registry, open advertisements or engaging professional recruitment firms.

6.2 If the selection of candidates is based on recommendations made by Board members, Management or major shareholders, the NC shall explain why these sources suffice and other sources were not used.

6.3 The NC shall identify any gaps in the skills and experience of Directors on the Board, with due regard given to the candidates':

- (a) skills, expertise, experience, age, cultural background and gender to achieve boardroom diversity;
- (b) professionalism, reputation and track record;
- (c) ability to devote sufficient time commitment;
- (d) contribution and performance;
- (e) character, integrity, ability to lead by example and competence;
- (f) ability to understand financial statements and form a view on the information presented; and
- (g) such other criteria and attributes that may be deemed important or relevant by the NC.

6.4 In the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions that are expected from Independent Non-Executive Directors and their fulfilment of the independence criteria;

7. REPORTING AND OPERATION OF THE NC

7.1 The Chairperson shall report to the Board on its proceedings after each NC meeting on all matters within the NC's duties and responsibilities.

- 7.2 All assessments and evaluations carried out by the NC in the discharge of all its functions shall be properly documented.
- 7.3 The NC shall take into consideration the Directors' Fit & Proper Policy, Policy on Succession Planning for Board and Key Senior Management and the Board and Key Senior Management Diversity Policy in the discharge of its duties and responsibilities.
- 7.4 The NC shall consider and examine such other matters as may be directed by the Board or brought to its attention and make recommendations or report to the Board accordingly.
- 7.5 The NC shall provide the relevant information to assist the Board in making the required disclosures in the Annual Report and Corporate Governance Report.
- 7.6 The NC shall review its Terms of Reference periodically to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

Last reviewed on 15 November 2023