



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

**TERMS OF REFERENCE
OF THE REMUNERATION COMMITTEE**

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1. OBJECTIVES

The primary function of the Remuneration Committee (“RC”) formed by the Board of Directors (“Board”) of Amway (Malaysia) Holdings Berhad (“Amway” or “Company”) is to assist the Board in ensuring the remuneration policies and practices of the Company and its subsidiaries (collectively, “Group”) reward fairly and responsibly based on corporate and individual performance, as well as to attract, retain, and motivate Directors and Key Senior Management who are of quality, calibre and competence within appropriate market rates.

2. COMPOSITION AND MEMBERSHIP

- 2.1 The members of the RC shall be appointed by the Board and shall consist of not less than three (3) members, comprising only Non-Executive Directors, a majority of whom must be independent.
- 2.2 The Chairperson of the RC shall be appointed by the Board.
- 2.3 The Chairperson of the Board shall not be a member of the RC.
- 2.4 If the Chairperson or a member of the RC 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 RC 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 RC 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 RC meeting within fifteen (15) minutes of the time appointed for holding the same, the RC members present shall choose one (1) of their numbers to be the Chairperson of the meeting.
- 3.4 A RC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables the RC 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 RC member taking part in the meeting to communicate simultaneously with each of the other RC 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 RC meeting provided the following conditions are met:
- (a) all the RC members for the time being entitled to receive notice of the RC 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 RC 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 RC 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 RC. 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 RC.
- 3.8 Questions arising at any meeting of the RC 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 RC 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 RC 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 RC members or Board members.

3.12 The RC may pass a resolution by way of a written resolution. A written resolution that is signed in accordance with the quorum that is required for a RC meeting shall be valid and effectual as if it were a resolution passed at a RC meeting duly convened and held. Any such document may be accepted as sufficiently signed by a RC member if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the RC members and may consist of several documents in like form, each signed by one or more RC members.

4. AUTHORITY

The RC 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 RC considers this 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

5.1 The duties and responsibilities of the RC shall include the following:

- (a) develop and implement fair and transparent policies and procedures on the remuneration of the Board and Key Senior Management (“Remuneration Policy”) which take into account of their roles and responsibilities, the demands, complexity and performance of the Group including in managing material sustainability risks and opportunities, as well as the skills and experience required;
- (b) ensure that the remuneration and benefits for Independent Non-Executive Directors do not conflict with their obligation to bring objectivity and independent judgement on matters discussed at Board meetings;
- (c) review or if necessary, further develop the Remuneration Policy from time to time to ensure it is in line with current market practices;
- (d) review and recommend to the Board the total individual remuneration package for Executive Directors and Key Senior Management executives including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance and the Company/Group’s performance;

- (e) review and recommend to the Board, the remuneration packages of Non-Executive Directors for shareholders' approval at the annual general meeting and ensure that the Directors' fees are reflective of the contribution of each individual Director; and
 - (f) review compensation payable to Executive Directors and Key Senior Management executives in the event of termination of their service contracts by the Company/Group.
- 5.2 The determination of remuneration packages of the Executive Directors, Non-Executive Directors and Key Senior Management shall be a matter for the Board as a whole and the RC shall have no authority in relation to the matter.
- 5.3 Executive Directors should not be involved in discussions to decide their own remuneration.
- 5.4 Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board shall abstain from voting on the resolution to approve directors' fees and benefits at the annual general meetings.

6. REPORTING AND OPERATION OF THE RC

- 6.1 The Chairperson shall report to the Board on its proceedings after each RC meeting on all matters within the RC's duties and responsibilities.
- 6.2 The RC shall take into consideration the Remuneration Policy in the discharge of its duties and responsibilities.
- 6.3 The RC 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.
- 6.4 The RC shall provide the relevant information to assist the Board in making the required disclosures in the Annual Report and Corporate Governance Report.
- 6.5 The RC 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 25 August 2021