



Amway (Malaysia) Holdings Berhad
(Company No: 340354-U)

BOARD CHARTER

BOARD CHARTER

1. PREAMBLE

The enhancement of corporate governance standards is vital towards achieving the objectives of transparency, accountability and effective performance for Amway (Malaysia) Holdings Berhad (“Amway” or “the Company”) and its subsidiaries (“the Group”). It is with the aim of enshrining the concepts of good governance as promulgated by the Malaysian Code on Corporate Governance (“the Code”) that this Board Charter (“this Charter”) is established.

This Charter is designed to provide guidance and clarity for Directors and Management regarding the role of the Board and its Committees, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board’s operating practices. This Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the Companies Act 2016, the Income Tax Act 1967 or other relevant statutes, including the conduct of the Board as stipulated in the Articles of Association of the Company.

2. INTERPRETATION

In this Charter:

“Board” means the Board of Directors of the Company;

“Bursa Securities” means Bursa Malaysia Securities Berhad;

“Business” means the business of the Company and all its subsidiaries;

“Chairman” means the Chairman of the Board and is used in a gender-neutral sense;

“Company Secretary” means the Board secretary (ies) or the person (s) normally exercising the functions of a Board secretary;

“Group” means the Company and all its subsidiaries;

“Independent Director” is defined in accordance with Paragraph 1.01 of the Main Market Listing Requirements of Bursa Securities;

“Listing Requirements” means the Main Market Listing Requirements of Bursa Securities;

“Management” means the management personnel of the Company and its subsidiaries;

“MD” means the Managing Director of the Company and Group; and

“Shareholders” means the shareholders of the Company.

3. ROLE OF THE BOARD

3.1 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.

3.2 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;
- authority levels;
- treasury policies;
- risk management policies and activities;
- appointments of external auditors;
- announcements to Bursa Securities; and
- approval of the Group's and Company's financial statements;
- and, financing and borrowing activities;
- ensuring regulatory compliance; and
- reviewing the adequacy and integrity of internal controls.

3.3 The Board shall establish an internal audit function, which is independent of the activities it audits and identify an internal audit service provider who shall report directly to the Audit Committee.

3.4 The principal responsibilities of the Board are:

Reviewing and adopting a strategic plan for the Group

- to review, challenge and approve Management's strategic plan proposals;
- to ensure the strategic plans support long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability; and
- to monitor the implementation of the strategic plans by Management;

Overseeing the conduct of the Group's business

- to 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, financial statements, performance review reports, and risk management reports; and
- ensure the integrity of the company's financial and non-financial reporting.

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

- to understand the principal risks of the Group's business and recognise that business decisions involve the taking of appropriate risks;
- to 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; and
- to 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;

Succession planning and reviewing remuneration

- to ensure that all candidates appointed to Senior Management positions are of calibre and have the necessary skills and experience; and
- to consider and implement succession planning and review the remuneration of the Board and Senior Management;

Communication with stakeholders

- to develop and implement an investor relations programme or shareholder communications policy for the Company;

Others

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

4. BOARDSTRUCTURE

4.1. Board Balance and Mix

- 4.1.1 The Board recognises the importance of independence and objectivity in the decision making process. The Board of Amway is chaired by an Independent Non-Executive Director who provides strong leadership and objectively stewards the Board's priorities objectively. In accordance with the Code, at least half of the Board shall consist of Independent Non-Executive Directors to ensure a balance of power and authority on the Board.
- 4.1.2 The Constitution of the Company allows a minimum of four (4) and a maximum of nine (9) Directors. It is important for the Board to keep its size at a reasonable level. Boards that are too small or too large may significantly limit the level of individual participation, involvement and effectiveness. The Board shall, from time to time, examine its size with a view toward determining the impact of its number upon its effectiveness.
- 4.1.3 The Board also recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to promote accountability and facilitate the division of responsibility. For this purpose, the position of Chairman shall be held by a Non-Executive Director of the Board while, the MD shall be held by an Executive Director of the Board.

- 4.1.4 The Board recognises the need for its composition to reflect a range of skills and expertise. High levels of professional skills and appropriate personal qualities are pre-requisites for directorship. Without limiting the foregoing, the qualifications for Board membership are: the ability to make informed business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, relevant experience, the ability to appreciate the wider picture, ability to ask probing operational related questions, high ethical standards, sound practical sense, and total commitment to furthering the interests of shareholders and the achievement of the Group's goals. In addressing this, the Board shall consider the recommendations by the Nominating Committee pertaining to nominees for directorship in the Group.
- 4.1.5 For the assessment and selection of Directors, the Nominating Committee shall consider the potential Directors' character, experience, competence, integrity and time, as well as the following factors:
- skills, knowledge and expertise ;
 - age and gender;
 - professionalism;
 - cultural background and diversity;
 - commitment;
 - contribution and performance;
 - integrity; and
 - in the case of candidates for the position of Independent Non-Executive Directors, the Board shall also evaluate the candidates' ability to discharge such responsibilities/ functions as are expected from Independent Non-Executive Directors.
- 4.1.6 The Board identifies and appoints from amongst its members a Senior Independent Director, to whom the concerns of Directors and shareholders of the Company may be conveyed.

4.2. Role of the Chairman

The Chairman is primarily responsible for:

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

- managing the interface between the Board and Management;
- 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.

4.3. Role of the 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 can be further classified as:

- 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 checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

4.4. Role of the Independent Non-Executive Director

Independent 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.

Since an Independent Director has no conflict of interests in the discharge of his duties, he 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 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.

It is important to bear in mind the Listing Requirements emphasise that even if a person does not fall within any of the disqualifying indicators enumerated out in Paragraph 1.01, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of an Independent Director. There must be a conscious application of the test of whether the Independent Director is able to exercise independent judgment and act in the best interests of the Company.

The attributes of collegial yet independent decision-making that must be vested in the Independent Director will be determined in part by the character of the individual and that of the whole ethos of the Board.

4.5. Role of the Managing Director

4.5.1 The position of the MD, 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.

4.5.2 The MD is accountable to the Board for the achievement of Group's goals and objectives and he is accountable to the Board for the observance of Management's limits.

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

- 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.

4.5.4 The MD is expected to act within all specific authorities delegated to him by the Board.

4.5.5 Generally, the MD is responsible to the Chairman/Board for the following:

- executive management of the Group's business, covering, inter-alia, the development of a sustainable strategic plan, an annual operating plan and budget, performance benchmarks to gauge Management's performance, and an analysis of Management reports;
- developing long-term strategic and short-term profit plans, designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;
- directing and controlling all aspects of the business operations in a cost effective manner;
- effectively overseeing the human resource of the organisation with respect to key positions in the Group hierarchy and ensuring the general well-being of employees, including the determination of remuneration as well as terms and conditions of employment for Senior Management personnel and issues pertaining to discipline of all employees;
- effectively representing the interest of the Group with major customers, governments and their agencies, and industries at large, to ensure general goodwill towards the Group and cooperation in planned development;
- assuring that the Group, corporate identity, products and services are of high standards and are reflective of the market environment;
- providing assistance to members of the Audit, Nominating and Remuneration Committees, as required, in discharging their duties; and
- assisting the Chairman in organising information necessary for the Board to deal with the agenda and providing such information to

Directors on a timely basis.

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

4.6. Tenure of Directors

4.6.1. 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.

4.6.2. The Company shall ensure that the Directors, have the character, experience, integrity, competence and time to effectively discharge their respective roles.

4.6.3. The tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) 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 (9) years, it shall justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12th) year, the Board shall seek annual shareholders' approval through a two-tier voting process in accordance with the Code.

4.7. Company Secretary

4.7.1. The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.

4.7.2. The key role of the Company Secretary is to provide 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.

4.7.3. Primary responsibilities of the Company Secretary shall include:

- advising the Board on its roles and responsibilities;
- advising the Board on corporate disclosures and compliance with the Companies Act 2016 and Listing Requirements;
- ensuring that Board procedures and applicable rules are observed;
- maintaining records of the Board and ensuring effective management of the Company's statutory records;
- preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded; and
- carrying out other functions as deemed appropriate by the Board from time to time.

4.8. Board Committees

4.8.1. The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities. Where a Committee is formed, specific terms of reference of the Committee shall be established in writing to

cover matters such as the purpose, composition and functions of the Committee.

4.8.2 A number of standing Committees, with written terms of reference have been established, namely the following:

▪ Audit Committee

The Audit Committee assists and supports the Board's responsibility to oversee the Group's operations by providing a means for review of the Group's processes for producing financial data, its internal controls, risk management activities and independence of the Group's external and internal auditors.

▪ Nominating Committee

The Nominating Committee oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience, assessment of independent directors', reviews succession plans and, boardroom diversity; oversees training courses for directors and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director.

▪ Remuneration Committee

The Remuneration Committee is primarily responsible for recommending to the Board the remuneration of Executive Directors, Non-Executive Directors and Senior Management in all its forms, drawing from outside advice if necessary.

4.9. The Board's Relationship with Shareholders and Stakeholders

4.9.1 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.

4.9.2 It is the role of the Board to ensure that the Annual General Meetings ("AGMs") and Extraordinary General Meetings ("EGMs") of the Company are conducted in an efficient manner and serve as crucial mechanisms in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGMs. The Board will focus its efforts on the following best practices to enhance the effectiveness of the General Meeting:

- ensure that each item of special business included in the notice is accompanied by a full explanation of the effects of the proposed resolution;
- for re-election of Directors, ensure that the notice of meeting states which Directors are standing for election or re-election, with a brief description including matters such as age, relevant experience, list of directorships, date of appointments to the Board, details of participation in Board Committees and whether a particular Director is

- independent;
- ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate, the Chairman will also undertake to provide the enquirer with a written answer to any significant question which cannot be answered immediately;
 - ensure that any resolutions set out in the notice of any general meetings, or in any notice of resolutions which may properly be moved and is intended to be moved at any general meetings, is voted by poll;
 - 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;
 - ensure that there is a channel of communication through the Company Secretary on feedback and queries from shareholders;
 - ensure the Chairman of the Board shall be the Chairman of all general meetings; and
 - ensure that the Company publishes these measures listed above, on its corporate website on a dedicated Corporate Governance section.

5. BOARD PROCESSES

5.1 Board Meetings

- 5.1.1 Meetings will be conducted at least on a quarterly basis. The Company Secretary shall in advance prepare and distribute to all Directors a timetable for the meetings for the year. The Company Secretary is encouraged to prepare an annual work plan to be disseminated to all Directors at the beginning of each year. The Company Secretary shall work together with the Chairman and MD in developing the annual work plan.
- 5.1.2 If additional meetings are to be convened, a Director may request for such a meeting to table matters of urgency, and the Company Secretary shall upon the request of the Chairman of the Board or any one (1) Director, convene a meeting. The Company Secretary shall prepare and distribute a timetable for all required to attend the meetings.
- 5.1.3 The Chairman of the Board - or in his absence, the Deputy Chairman - shall preside at all meetings. If there are no such Chairman present, or if he is not present within ten (10) minutes after the time set for the holding of the meeting, the Directors shall elect one (1) of their number to be Chairman of the meeting.
- 5.1.4 Board members are required to attend the Board meetings. However, other senior officers may be invited to attend meetings for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises. Questions arising at any meeting of the Directors shall be decided by a majority of votes.

Resolutions of the Directors at a meeting or adjourned meeting of the Directors shall be adopted by all Directors present. In the event issues requiring the Board's decision arise between meetings, such issues shall be resolved through written resolution subsequent to discussions being held amongst the

Board members, either via teleconference, videoconference, email, etc. in order for the Board as a whole to be apprised on such matters and obtain their view points before arriving at a decision.

Such written resolution shall be valid and effective if it is signed or approved by letter, telex, facsimile or telegram by all the Directors, and such discussions, including any concerns raised and the rationale for the decisions so made in the resolution shall be tabled at the immediate Board meeting for formal record keeping.

- 5.1.5 The Directors may participate in a meeting of the Directors by means of telephone and video conference or by other means of communication. Directors need not be in the physical presence of another Director(s), and participation in the meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors in such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. All information and documents must be made equally available to all participants prior to, at, or during the meeting.
- 5.1.6 A Director shall abstain from voting on contracts or proposed contracts or arrangements in which he has direct/indirect interests. A Director shall also not vote on contracts or proposed contracts or arrangements with any other company in which he is interested either in his capacity as an officer of the company or as a shareholder of the company.

5.2 Agenda

- 5.2.1 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 Chairman, in conjunction with the MD 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.
- 5.2.2 The agenda shall address high-priority strategic and operational issues, where necessary, and 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.

5.3 Meeting Papers

- 5.3.1 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.

5.3.2 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.

5.4 Access to Information

5.4.1 A record of submissions, papers and materials presented to the Board is maintained and held by the Company Secretary, together with minutes of meetings, and is accessible to Directors.

5.4.2 All Directors (Executive and Non-Executive) have the same right of access to information relevant to the furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Board Chairman furnishing satisfactory and explicit justification for such a request.

5.5 Independent Professional Advice

5.5.1 The Board as well as any Director is entitled to obtain independent professional advice relating to the affairs of the Group or to his responsibilities as a Director.

5.5.2 If a Director considers such advice necessary for the discharge of his duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairman and, having done so, shall be free to proceed, where appropriate.

5.5.3 Subject to prior approval of the Chairman, 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.

5.6 Appointment, Vacation of Office and Removal of Directors

5.6.1 Upon the appointment of a Director, the said Director shall provide to Bursa Securities an undertaking prescribed by Bursa Securities immediately and in any event not later than fourteen (14) days.

5.6.2 Any Director of Amway shall not be considered fit for directorship if he or she:

- (a) has been convicted by a court of law, whether in Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
- (b) has been convicted by a court of law, involving bribery, fraud or dishonesty where the conviction involved a finding that he acted fraudulently or dishonestly or
- (c) has been convicted by a court of law of an offence under the securities laws of Malaysia or the Companies Act 2016,

within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison.

- 5.6.3 The office of the said Director shall become vacant if the Director:
- (a) falls within the circumstances set out in Section 208 of the Companies Act 2016 i.e. where the Director:-
 - (i) resigns office as director by giving a written notice to the company at its registered office;
 - (ii) retires in accordance with the Companies Act 2016 or the constitution of the company but is not re-elected;
 - (iii) is removed from office in accordance with the Companies Act 2016 or the constitution of the Company;
 - (iv) becomes disqualified from being a director under Section 198 or 199 of the Companies Act 2016;
 - (v) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
 - (vi) dies; or
 - (vii) otherwise vacates office in accordance with the Constitution of the Company.
 - (b) if (not being the MD or Deputy or Assistant MD holding office as such for a fixed term) resigns his office by notice in writing under his hand sent to or left at the office;
 - (c) is absent from more than 50% of the total Board of Directors' meetings held during a financial year;
 - (d) is removed from his office of Director by resolution of the Company in a General Meeting of which special notice has been given;
 - (e) without the consent of the Company in General Meeting holds any other office of profit under the Company except that of MD or Deputy or Assistant MD or manager;
 - (f) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in the manner required by the Act; or
 - (g) is convicted by a court of law, whether in Malaysia or elsewhere, in relation to the offences listed in 5.6.2 above.

5.6.4 Where a Director is removed from office, Amway must forward to Bursa Securities a copy of any written representations made by the Director at the same time as copies of such representations are sent to shareholders/Management of Amway under Section 207(3)(b) of the Companies Act 2016.

5.7 Induction Process and Training Programme

5.7.1 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 market place pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.

5.7.2 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 Chairman, the Company Secretary and, the Independent Director, if he is a functional specialist;
- (b) furnishing of a copy 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 Company's/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 key management personnel.

5.7.3 Directors are required to undergo the mandatory accreditation programme under the auspices of Bursa Securities. In addition, Directors are required to attend relevant training courses/seminars at periodic intervals to keep them abreast with development pertaining to the oversight function of Directors as well as updates on technical matters, for example financial reporting standards, tax budgets, etc. The Nominating Committee in association with the Company Secretary shall decide on the continuous education training programme for Directors.

5.7.4 At the start of each year, the Board collectively should discuss to assess the training needs of each Director and to decide on the type of training that may be required for effective and efficient discharge of Directors' duties and responsibilities.

5.7.5 The costs of the induction, mandatory accreditation programme and/or continuing education program shall be borne by the Company.

5.8 Directors' External Commitments and Conflict of Interest

5.8.1 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 himself from casting his votes in any matter arising thereof unless otherwise as provided for in the Constitution of the Company.

- 5.8.2 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.
- 5.8.3 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.
- 5.8.4 The Company shall ensure that the Directors, have the character, experience, integrity, competence and time to effectively discharge their respective roles.
- 5.8.5 Directors shall devote sufficient time to carry out their responsibilities. The Board should obtain this commitment from its members at the time of appointment. Each Director is expected to commit at least four (4) days per year for attending meetings of the Board or Board Committees.

Directors shall notify the Chairman before accepting any new directorships and the notification shall provide for an indication of time that will be spent on the new appointment.

A Director of the Company or Group shall not hold more than five (5) directorships in listed issuers as required under regulatory requirements.

The Company Secretary should facilitate the Directors' annual independence and conflict of interests 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).

5.9 Representation of the Company

- 5.9.1 The Board looks to Management to speak on behalf of Amway and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements. The Board authorises its MD and Executive Director (or their nominated persons) to be the official spokesperson for Amway.
- 5.9.2 The Board shall have the relevant corporate disclosure policies and procedures to ensure comprehensiveness, accuracy and timeliness. These policies and procedures shall ensure compliance with the relevant disclosure requirements as enumerated in the Listing Requirements.
- 5.9.3 The Company shall consider the use of information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website. This section shall provide information such as, amongst others, the Board Charter and the Annual Report.

5.10 The Constitution of the Company and Management's Limits

- 5.10.1 The Board operates pursuant to the powers and is subject to rules in the Constitution of the Company.
- 5.10.2 Management is expected to act within all specific authorities delegated to it by the Board.
- 5.10.3 Management is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practices or professional ethics.

5.11 Directors' Code of Ethics

The Directors' Code of Ethics was approved by the Board of Directors in November 2009.

The Board of Directors of Amway shall ensure that the Group upholds high standards of ethics and corporate behaviour. A governing board is in a position of trust. It holds in trust not only the organisation's physical and intellectual assets but also the efforts of those who have gone before. It preserves and grows these things for the current and future generations. Its stewardship will protect the organisation from harm and steer it towards positive achievement.

In that light, the performance of his duties, a Director of the Company is first and foremost held accountable in demonstrating the following:

Corporate Governance

- (i) a clear understanding of the aims and purpose, capabilities and capacity of the Company;
- (ii) devote time and effort to attend meetings and to know what is required of the Board and each of its Directors, and to discharge those functions;
- (iii) ensure at all times that the Company is properly managed and effectively controlled;
- (iv) stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
- (v) insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
- (vi) limit his directorship of companies to a number in which he can best devote his time and effectiveness; each Director is his own judge of his abilities and how best to manage his time effectively in the Company in which he holds directorship;

- (vii) have access to the advice and services of the Company Secretary, who is responsible to the Board to ensure proper procedures, rules and regulations are complied with;
- (viii) at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the Company;
- (ix) disclose immediately all contractual interests whether directly or indirectly with the Company;
- (x) neither divert to his own advantage any business opportunity that the Company is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
- (xi) at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties; and
- (xii) be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the Company is at stake.

Relationship with Shareholders, Employees, Creditors and Customers

- (xiii) be conscious of the interest of shareholders, employees, creditors and customers of the Company;
- (xiv) at all times promote professionalism and improve the competency of Management and employees; and
- (xv) ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

Social Responsibilities and the Environment

- (xvi) adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies;
- (xvii) ensure the effective use of natural resources, and improve quality of life by promoting sustainability;
- (xviii) ensure that the activities and the operations of the Company do not harm the interest and well-being of society at large.

6. REVIEW OF THE BOARD CHARTER

This 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.