



TOP GLOVE CORPORATION BHD
Registration No: 199801018294(474423-X)

BOARD EFFECTIVENESS EVALUATION FRAMEWORK

Adopted by the Board on 18 August 2020

Updated and Adopted by the Board on 9 June 2021

1.0 OBJECTIVES

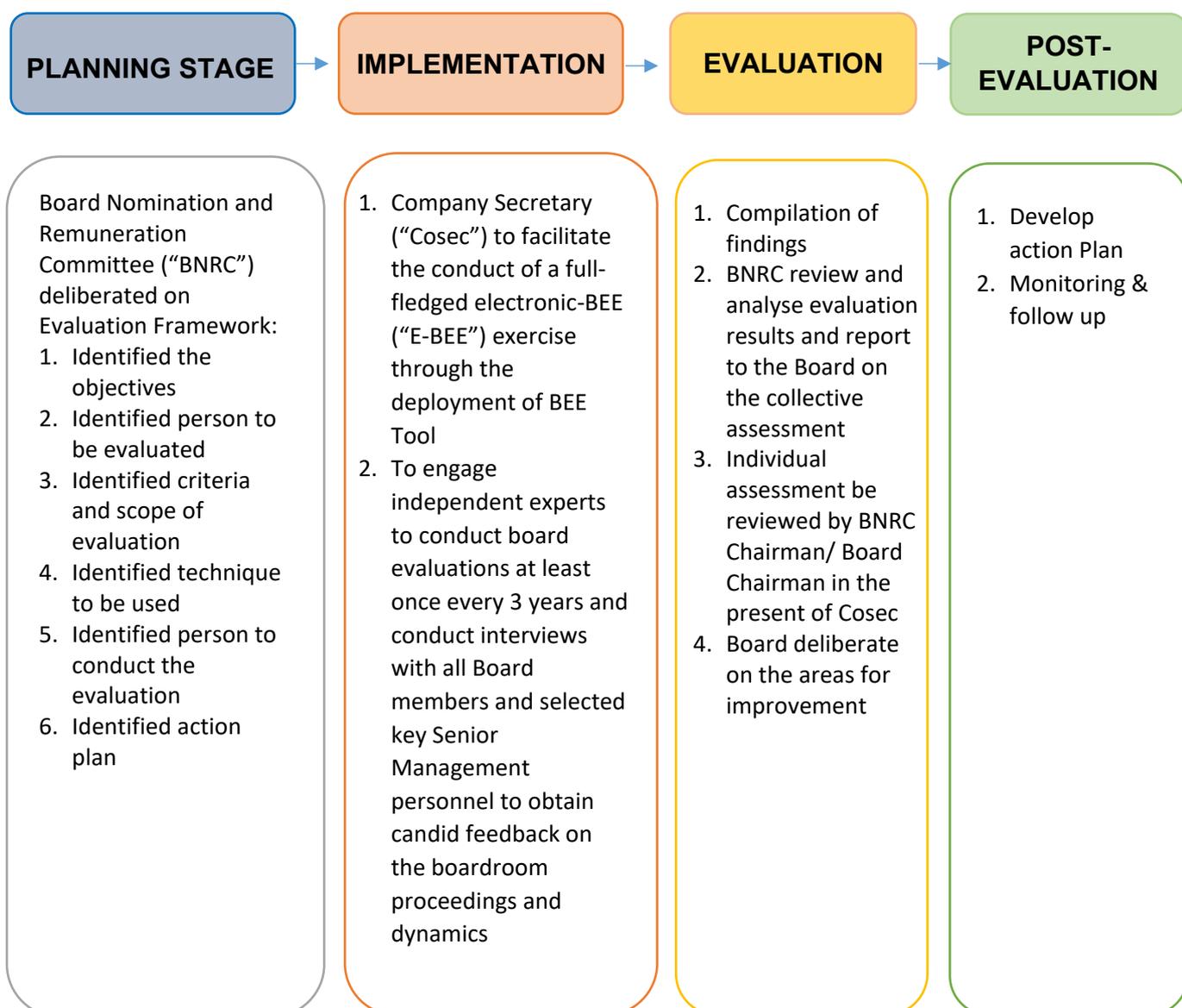
Board of Directors' primary role is to promote long term sustainability and shareholder value creation. Besides, the Board is accountable for the performance of the Company.

This Board Effectiveness Evaluation Framework aims to provide vital tool for Directors to:

1. structure a high-performing Board by reviewing and improving Board performance
2. reveal gaps in Board composition
3. improve Board alignment around key issues
4. provide fresh perspectives on the Board's and Management's functioning
5. establish proper guidelines for the Board to enhance the effectiveness of their interactions, particularly through strengthening Board practices and processes

2.0 BOARD EFFECTIVENESS EVALUATION ("BEE") FRAMEWORK

The Company's BEE framework is as follows:



3.0 PERSON TO BE EVALUATED

The following person will be evaluated :

Board	Assessment of the Board as a unit
Individual Director	Assessment of each individual director's performance on the Board and Board Committees
Board Committee	Assessment of the individual Board Committee as a unit
Unique position	Assessment on role such as Board Chairman, Board Committee Chairman and Senior Independent Director

4.0 CRITERIA AND SCOPE OF EVALUATION

The scope of evaluations covered the following :

4.1 BOARD PERFORMANCE ASSESSMENT

Board Performance evaluation is to be completed by all Directors in evaluating the effectiveness of the Board as a whole. The Board Assessment Form contains four (4) sections, as follows:

- A. BOARD MIX & COMPOSITION**
- B. QUALITY OF INFORMATION AND DECISION-MAKING**
- C. BOARDROOM ACTIVITIES**
- D. BOARD CHAIRMAN'S ROLE**

4.2 BOARD SELF & PEER PERFORMANCE EVALUATION

Board Self & Peer Performance evaluation is to be completed by all Directors which contains four (4) sections, as follows:

- A. CONTRIBUTION AND PERFORMANCE**
- B. CALIBRE AND PERSONALITY**
- C. MANAGING DIRECTOR**
- D. SENIOR INDEPENDENT DIRECTOR**

4.3 BOARD SKILL MATRIX

Board Skill Matrix Evaluation Form is to be completed by all Directors. This Evaluation Form is developed to gain an understanding of the extent to which the Board comprises Directors with the appropriate "Fit and Proper" criteria, skills, knowledge, competence and experience necessary to meet the needs of the Company covering

the envisaged and optimal skill set matrix for the future of the Company, as well as the Board's current skill set.

Board Skills Matrix Criteria:

- 1. Industry experience (i.e. healthcare product manufacturing sector)**
- 2. International or regional business experience**
- 3. Former Chief Executive Officer /Managing Director or leader of an organisation post**
- 4. Operations and Quality Management**
- 5. Accounting and financial reporting**
- 6. Corporate governance, risk management and internal controls**
- 7. Legal and regulatory**
- 8. Human capital or talent management**
- 9. Information technology or digital strategy**
- 10. Sustainability**
- 11. Public sector or governmental body experience**

4.4 INDEPENDENCY AND OVER-BOARDING EVALUATION

Independent directors have the mandate of bringing objectivity to the oversight function of the Board. The objectivity inherent to these Directors allows them to debate with and challenge the management in a relatively unbiased manner.

Independency and over-boarding evaluation is to be completed by each Independent Non-Executive Director based on the criteria in accordance with the Bursa Malaysia Listing Requirements. The Independency and Over-Boarding Evaluation Form contains five (5) sections, as follows:

- A. Background**
- B. Economic relationship**
- C. Family relationships**
- D. Tenure**
- E. Qualitative assessment**

4.5 BOARD COMMITTEES ASSESSMENT

Each Board Committee will carry out performance assessment of their respective Board Committee. The following are the existing Board Committees of the Company:

1. Board Audit Committee
2. Board Risk Committee
3. Board Nomination and Remuneration Committee
4. Board Sustainability Committee

BOARD AUDIT COMMITTEE

Section A: Composition and governance

Section B: Meeting administration and conduct

Section C: Group Synergy and Reporting Line

Section D: Oversight of financial reporting process, including internal controls and audit processes

Section E: Oversight on the Internal Audit Function

Section F: Oversight on the External Auditor

BOARD RISK COMMITTEE

Section A: Composition and governance

Section B: Meeting administration and conduct

Section C: Risk strategy and appetite

Section D: Duties and responsibilities in relation to risk management matters

BOARD NOMINATION AND REMUNERATION COMMITTEE

Section A: Composition and governance

Section B: Meeting administration and conduct

Section C: Duties and responsibilities in relation to nomination matters

Section D: Duties and responsibilities in relation to remuneration matters

BOARD SUSTAINABILITY COMMITTEE

Section A: Composition and governance

Section B: Meeting administration and conduct

Section C: Duties and responsibilities in relation to sustainability oversight matters

5.0 ASSESSMENT TOOLS AND APPROACH

The BEE will be carried out annually based on the following :

Questionnaire	<ol style="list-style-type: none">1. Company Secretary/ External Independent Expert will design the questionnaire based on the agreed criteria as advised by the BNRC through the deployment of E-BEE Tool.2. The Company will engage independent experts to conduct board evaluations at least once every 3 years including conduct interviews with all Board members and selected key Senior Management personnel to obtain candid feedback on the boardroom proceedings and dynamics.3. The questionnaire will table to the BNRC for review and comment.4. Directors to complete the questionnaire through E-BEE.
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360° feedback	Directors to complete the 360° feedback on the strength and weaknesses of all individual Directors through E-BEE. The assessment will be on anonymous basis.
Interview	<p>Interview session between the Board Chairman and individual Director, together with the present of the Company Secretary:</p> <ol style="list-style-type: none"> 1. To clarify and understand in-depth the responses by Directors on the questionnaire in relation to the Board and Board Committee performance; 2. To gain more insights on positive performance areas from the individual Directors' perspective; and 3. To obtain inputs from each Director on any specific concerns or areas of improvement to further enhance the overall Board effectiveness.

6.0 REPORTS

The Company Secretary/ External Independent Expert will generate the final reports detailing the outcome of the qualitative and quantitative analysis from the E-BEE and interview sessions. Company Secretary/ External Independent Expert will recommend on the measures or action plan to close the gaps and address areas that require improvements.

The findings and recommendation will then be tabled to the BNRC for deliberation as well as to the Board for endorsement.