



TOP GLOVE CORPORATION BHD
199801018294 (474423-X)

Independent Director Tenure Policy

Updated on 17 September 2021

1. OBJECTIVE

The length of service of an independent non-executive director (“independent director”) is increasingly being recognised as a key element in the review of a director’s independence. Tenure is also increasingly regarded as a potential indicator of entrenchment and thus, the need for Board refreshment. This policy formalizes a practice regarding the tenure for independent directors. to ensure the Board is at all times operating in an effective manner so as to best promote the interests of the Company and its shareholders.

This Policy will address the concern raised on extended service risks eroding director’s independence by producing overly close relationship between long service independent directors and Management. However, longer service can help bridge Management transitions by providing historical context and perspective and longer-serving directors may be better positioned to oppose and/or challenge Management in a constructive manner.

In formulating this Policy, the Company has taken into account the requirements as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and recommendation in Malaysian Code of Corporate Governance (“MCCG”) to ensure compliance with the obligations imposed. The Board has taken an appropriate approach that balances a Board composed Directors with extensive knowledge about Top Glove, those who can provide fresh perspective and those with business experience relevant to the Company’s strategy.

The Board Nomination and Remuneration Committee has assisted the Board in determining the independence of a Director, which will either meet or be more restrictive than the definition of “Independent Director” in the MMLR and applicable laws and regulations. The Board will also consider all other relevant facts and circumstances bearing on independence.

2. POLICY ON TENURE OF INDEPENDENT DIRECTORS

- 2.1. The tenure of an independent director shall be limit to a cumulative term of nine (9) years from the date of first appointment without further extension. Upon completion of nine (9) years tenure, an Independent Director will vacate his/her Board seat from the Company.
- 2.2. The term of office of independent director shall be organized in a manner that ensures proper and smooth transition.
- 2.3. The Board Nomination and Remuneration Committee will monitor and review the Policy periodically and seek the Board’s approval on any proposed amendment(s) in accordance with the needs of the Company.