



**TOP GLOVE CORPORATION BHD  
(474423-X)**

# Independent Director Tenure Policy

Adopted by the Board of Directors on 18th day of June 2019.

## **1. OBJECTIVE**

The length of service of an 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 we have been following for some time and sets out 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 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 of 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**

- 2.1. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years from the date of first appointment. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to the approval of the Board (taking into account the recommendation of Board Nomination and Remuneration Committee) provided the Director is re-designated as a Non-Independent Non-Executive Director.
- 2.2. The Board may, in exceptional cases, subject to the assessment of the Board Nomination and Remuneration Committee on an annual basis, recommend and subject to valid justifications and obtaining shareholders' approval, retain an Independent Director beyond the nine (9) years' term.
- 2.3. The term of office of Independent Director shall be organized in a manner that ensures proper and smooth transition.
- 2.4. The Board Nomination & Remuneration Committee will monitor and review the Policy on an annual basis and report to the Board on any proposed amendments, if so required.