

# **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 7113  
**COMPANY NAME** : TOP GLOVE CORPORATION BHD  
**FINANCIAL YEAR** : August 31, 2020

## **OUTLINE:**

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Board comprised members who possessed wide spectrum of skills and experience and specialised in the glove manufacturing and various business sectors.</p> <p>The Board is responsible to observe the following principles in establishing clear roles and responsibilities:</p> <ul style="list-style-type: none"><li>• Establish clear functions reserved for the Board and those delegated to Board Committees and Management.</li><li>• Establish clear roles and responsibilities in discharging its fiduciary and leadership functions.</li><li>• Formalise ethical standards through a Code of Conduct and ensure its compliance.</li><li>• Ensure that the Company's strategies promote sustainability, which includes Environmental, Social and Governance.</li><li>• Have procedures to allow its members access to information and advice.</li><li>• Ensure the capital and resources of the Company be allocated as to achieve the Company's goals in a manner best serving the interests of the shareholders and stakeholders.</li></ul> <p>The Board operates with a clear and effective governance structure, as shown in the Corporate Governance Overview Statement on page 112 of the Integrated Annual Report 2020.</p> <p>The Board took cognisance of the importance of long term value creation in setting its strategic plan. The Board had during its Offsite meeting held in January 2020 set its five years' strategies and plans. The Board together with the Management discussed the strategy proposed by the Management during the Offsite meeting facilitated by the Corporate Advisor. The strategies were being reviewed and its implementation was being updated during the quarterly Board meetings.</p> <p>In August 2020, the Board reviewed and approved the Annual Group Financial Budget for the financial year ending 31 August 2021</p>

("FY2021") and the key divisions' strategic plans. The Board deliberated and challenged the Management's views and assumptions for the proposed FY2021 targets and strategic plans and also provided their feedback and guidance for further refinement.

The Executive Chairman, Managing Director and Executive Director are responsible for the day-to-day management of the business and operations of the Group supported by the Executive Committee ("EXCO"), which was formed on 22 April 2019. The formation of EXCO is to ensure that the Board's decision, strategies set, business plans, budgets, policies, procedures, daily business and operational issues are implemented as to achieve the Company's objective of delivering long term shareholder value creation. Besides, EXCO will provide direction and guidance to and overseeing the Group management's performance. Formation of EXCO also facilitated faster decision-making relating to important strategic and major operational issues facing the Group. To ensure effective oversight and monitoring of the EXCO function, a progress report which provide the comprehensive summary of the Group's significant operational issues and the Group's performance from the EXCO will table at the quarterly Board meetings.

Board Risk Management Committee ("BRMC") was formed to assist the Board in overseeing the Risk Management Framework and Plan adopted by the Company. BRMC reviews, monitors and assess the risk appetite and risk tolerance for the Group and provide quarterly updates to the Board on the Company's risk exposures.

The Board Audit Committee ("BAC") assisted the Board in reviewing the adequacy and effectiveness of the Group's Internal Control System with the support from the Internal Audit Department. The BAC Chairman will highlight to the Board on the significant issues required the Board's attention during the quarterly Board meetings.

The Board Nomination and Remuneration Committee ("BNRC") supported the Board in overseeing the succession planning of the Directors, Board Chairman, Board Committees and Senior Management. A succession planning policy was established and adopted by the Company to ensure continuity in leadership as well as support in operations and services. Group Human Resource will provide regular updates to the BNRC on the succession plan, management and development for deliberations.

The Board Sustainability Committee ("BSC") was formed to assists the Board to oversee the Group's sustainability strategy and initiatives covering economical, environmental and social aspects. A Sustainability Charter was developed to assist and guide the Board, BSC and Management in the implementation of its sustainability strategy throughout the Group's value chain.

The Company have in place a robust and open line of communication with its stakeholders. The details of stakeholder engagement are available in the Corporate Governance Overview Statement on page 124 of the Integrated Annual Report 2020.

The Board emphasised on the importance of embracing the integrity and

	ethical values across the organisation, including the integrity in Company's financial and non-financial reporting to ensure its reliability.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board, Tan Sri Dr Lim, provides effective leadership role to the Board and steers the Board to be fully committed to maintain high standard of corporate governance whilst pursuing its corporate objectives in enhancing shareholders' values and competitiveness. Under his leadership, the Board is fully aware of the importance of governance and will continue delivering sustainable performance and instilling best corporate governance practices in building a sustainable business.</p> <p>The Chairman ensures that a regular dialogue with his fellow Board members relating to all strategic and operational matters is maintained and will consult with the fellow Board members promptly over any matter that gives him cause for major concern.</p> <p>The Chairman ensures that no Directors, whether Executive or Non-Executive, dominates discussion and he also ensure that appropriate discussion takes place.</p> <p>The Chairman with the assistance of the Company Secretary establish the board meeting agenda as per the scheduled Board meetings.</p> <p>The roles and responsibilities of the Chairman has been specified in Paragraph 4.3 of the Board Charter, which is available on the Company's website at <a href="https://www.topglove.com/governance-manual/">https://www.topglove.com/governance-manual/</a></p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The position of the Chairman is held by Tan Sri Dr Lim Wee Chai, Executive Chairman, whereas, the position of Chief Executive Officer is held by Dato' Lee Kim Meow, Managing Director.</p> <p>The roles and responsibilities of the Executive Chairman and Managing Director are distinctive and have been clearly segregated to further enhance and preserve a balance of authority and accountability to avoid unfettered powers of decision making.</p> <p>The Executive Chairman is primarily responsible for the orderly conduct of the Board meetings and ensure effectiveness of the Board and manage the interface between the Board and Management. The Managing Director will assist the Executive Chairman in the effectiveness of implementation of the Board policies, making operational decisions and monitoring the day-to-day running of the businesses, including defining the limits of Management's responsibilities.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>Our Company Secretaries are qualified Chartered Secretaries under Section 235 of the Companies Act 2016. The Company Secretaries constantly keep themselves abreast with the regulatory changes and corporate governance development through attending the relevant conferences and training programmes.</p> <p>The Board has full access to the advice and service of the Company Secretaries for the Board's affairs and the businesses. The Company Secretaries will highlight all compliance and governance issues that required the Board's attention.</p> <p>The Company Secretaries act as facilitator in communicating the key decisions and policies between the Board, Board Committees and Senior Management and ensure the required actions from the Board to Management are followed through.</p> <p>The Company Secretaries are also responsible for ensuring the Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.</p> <p>The Company Secretary is also tasked to facilitate the induction of new Directors and the ongoing professional developments of all Directors. Mr Lim Andy was appointed as the Independent Non-Executive Director of the Company on 8 January 2020. The Board's induction programme was conducted on 9 January 2020 in which the Company Secretary and the Management team briefed Mr Lim Andy on the business and operations of the Group to familiarise him with the relevant knowledge for the discharge of his duties and functions as Director of the Company.</p> <p>The Board through the BNRC has determined the training needs of the Directors based on outcome derived from the annual Board performance and effectiveness evaluation. The Company Secretary constantly sourced for suitable development programme for the respective Directors in accordance to the</p>

	<p>training need analysis.</p> <p>The Company Secretaries also play an important role to ensure the due processes and proceedings of the general meeting are in place and that minutes are properly recorded, particularly on the questions raised by the shareholders.</p>	
<b>Explanation for departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The Board will meet at least seven (7) times in each financial year with additional meetings convened as and when required. Dates of meeting are determined well in advance to facilitate time planning. In FY2020, the Directors have unanimously agreed to adopt 75% Board meeting attendance requirement to enhance existing governance practice by leveraging on technology as technology had made it more convenient for meeting participation.</p> <p>The notice was circulated within fourteen (14) days prior to the meeting and the meeting materials (non-financial nature) were circulated to the Directors digitally within seven (7) days prior to the meeting whereas the financial meeting materials in average within two (2) days prior to the meeting.</p> <p>The meeting materials are issued in advance to facilitate informed decision making. The Managing Director and Executive Directors would lead the presentation of board papers and provide comprehensive explanations of business plans, business performance, potential merger and acquisitions and other pertinent issues.</p> <p>Any proposal and recommendation put forth by Management will be deliberated and discussed by the Board before a decision is made. All matters raised, discussions, deliberations, decisions and conclusions including dissenting views made at the meeting with clear actions to be taken by responsible parties were recorded in the minutes.</p> <p>The draft minutes of meeting, accurately reflect the deliberation and decision of the Board will be circulated to all Directors for comments within seven (7) working days after the meeting. The Directors will revert with comments, if any, to the draft minutes within seven (7) working days after the minutes is circulated. The draft minutes will then be tabled at the following meeting for confirmation.</p>
<b>Explanation for departure</b>	:

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<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	Applied.
<b>Explanation on application of the practice</b>	<p>The Board Charter clearly established the functions reserved for the Board, Directors' roles and responsibilities and those delegated to Management. It served as a primary reference and induction literature in providing the Board members and Management insight into the functions, governance and conduct of the Board.</p> <p>The core areas of the Board Charter are as follows:</p> <ol style="list-style-type: none"> <li>(a) Company vision, mission and aspirations</li> <li>(b) Board governance process and procedures</li> <li>(c) Board and Management relationship</li> <li>(d) Board and Shareholders relationship</li> <li>(e) Stakeholders relationship</li> </ol> <p>The Board will link the Company's governance and management functions through the Executive Committee. All Board authority conferred on Management is delegated through the Executive Committee so that the authority and accountability of Management is considered to be the authority and accountability of the Executive Committee so far as the Board is concerned.</p> <p>The Board reserves for its consideration and approval for the following matters/issues:</p> <ol style="list-style-type: none"> <li>(i) Strategy and management</li> <li>(ii) Structure and capital</li> <li>(iii) Financial reporting and controls</li> <li>(iv) Risk management and internal controls</li> <li>(v) Contracts</li> <li>(vi) Communications</li> <li>(vii) Board membership and other appointments</li> <li>(viii) Remuneration</li> <li>(ix) Delegation of authority</li> <li>(x) Corporate governance matters</li> <li>(xi) Policies</li> </ol> <p>The Board Charter also explained the role of the Senior Independent Non-Executive Director.</p> <p>The Board Charter is periodically reviewed by the Board to ensure that it remains consistent with the Board's objectives, current laws and practices.</p> <p>The Board Charter is made available on the Company's website at <a href="https://www.topglove.com/governance-manual/">https://www.topglove.com/governance-manual/</a></p>

For FY2020, all Directors have collectively or individually attended/participated in the following professional development programmes/seminars/forums/conferences:

Director	Professional development programmes/ seminars/ forums/ conferences attended
Tan Sri Dr Lim Wee Chai	<ol style="list-style-type: none"> <li>1. FMM CEO Forum</li> <li>2. 26<sup>th</sup> CLSA Investors' Forum 2019</li> <li>3. BNP Paribas sustainable future forum 2019</li> <li>4. Tzu Chi Entrepreneur camp</li> <li>5. Forbes Global CEO</li> <li>6. UBS: Connected Event</li> <li>7. Business Ethics and Integrity: Enhancing Business Success through Ethical Practice</li> <li>8. ICLIF (Power Up 3) workshop</li> <li>9. Life Academy Session</li> <li>10. WHITE Integrity Day in addressing the enforcement of Corporate Liability</li> <li>11. Legal Talk with Messrs Skrine</li> <li>12. Health Talk on Your Foot &amp; Diabetes</li> <li>13. Leadership Talk by Amazon Web Services Malaysia Sdn Bhd</li> <li>14. Debrief Session by Malaysian Institute of Corporate Governance &amp; Integrity Solutions Sdn Bhd</li> <li>15. Top Glove Virtual Executive Briefing Center Conference hosted by Amazon Web Services</li> <li>16. Stewardship E-Conversation Series, Resilience, A Stewardship Journey</li> <li>17. Invest Malaysia Economic Recovery: Policies &amp; Opportunities</li> <li>18. Big 5 Workplace Training Session for Succession Management Executive Committee</li> <li>19. Health Talk : Strategic Nutrition for Optimal Health</li> <li>20. EPF workshop Session 1: Digital transformation at EPF and its impact on Malaysia</li> </ol>
Dato' Lee Kim Meow	<ol style="list-style-type: none"> <li>1. Power Up Training Module 5: Creativity &amp; Innovation</li> <li>2. Ministry of Human Resource Town Hall Session with Glove Manufacturers</li> <li>3. WHITE Integrity Day in addressing the enforcement of Corporate Liability with BOD</li> <li>4. Legal Talk with Messrs Skrine</li> <li>5. Sharing on Top Glove's Integrity Unit &amp; Governance</li> <li>6. Conference on Gloves Contribution to Wuhan</li> <li>7. MICG Debrief by Trident Integrity</li> <li>8. Corporate Liability 2020: Towards Greater Governance &amp; Accountability</li> <li>9. Invest Malaysia 2020: Economic Recovery: Policies &amp; Opportunities</li> <li>10. Talk by MCM &amp; PDRM on Cyber Crime</li> <li>11. IIM &amp; SIRIM QAS Forum</li> <li>12. Personal Leadership Development with Workplace Big Five Training</li> </ol>
Dato' Lim Han Boon	<ol style="list-style-type: none"> <li>1. Directors Dialogue on Integrated Reporting</li> <li>2. Bursa Malaysia's Thought Leadership: Sustainability-Inspired Innovations: Enablers of the 21st Century</li> <li>3. Executive Talk on Integrity and Governance</li> <li>4. Audit Oversight Board Conversation with Audit Committees</li> </ol>

		5. Smart Sourcing Summit: Don't Wait, Take a Leap
		6. Talk on Corporate Liability
		7. Sharing by CEO of Kuala Lumpur Kepong Berhad, Tan Sri Lee Oi Hian on KLK's transformation journey and success story
		8. Sharing by CEO of Mitsui Corporation, Daiji Kojima on Mitsui's Business Transformation and Success Story towards a Fortune Global 500 Company
		9. Debrief Session by Malaysian Institute of Corporate Governance & Integrity Solutions Sdn Bhd
		10. Innovation in the Midst of Chaos
		11. Authentic Leadership ~ Leadership in Times of Distress
		12. Stakeholder Engagement ~ In Times of Crisis: Stakeholders Take Centre Stage
		13. Covid 19 Dissecting Malaysia's Economic Stimulus - Response to Digital Economy
		14. The New Normal of Organization Development & Cultural Building
		15. Managing Business in Crisis
		16. Resilient Leadership during Covid 19
		17. Coronavirus Business Continuity, the Next Frontier
		18. The SSO Landscape Post MCO: Changes, Expectations & Preparations
		19. Thriving through Epic Disruption
		20. The New World Order Post Covid 19
		21. Overcoming the Covid 19 Disruption
		22. Apart Together: How Do We Engage Our Employees in this Challenging Time
		23. Cybersecurity & Work From Home Security Challenges Amidst Covid-19 Pandemic
		24. Equity Based Income: A Formula that Drives Business Performance
		25. Resetting Leadership in Disruptive Times
		26. Key Disclosure Obligations of a Listed Company ~ Financial Reporting
		27. Top Glove Youth Leadership Summit 2020
		28. Reinvent Your Business for the Digital Future
	Tan Sri Rainer Althoff	1. Authentic Leadership ~ Leadership in Times of Distress
		2. Stakeholder Engagement ~ In Times of Crisis: Stakeholders Take Centre Stage
		3. Leading in Crisis: Building Resilience in Challenging Times
		4. Leadership Insights
		5. Leveraging AI Insight for your Corporate Innovation Strategy
		6. 5G & Private Wireless State of the Industry
		7. Forward Together 2020
		8. Digital Enterprise Virtual Summit
		9. Edge Use Cases in Context Manufacturing & Robotics
		10. How Singapore's 3D Printing Community Pose to the Covid-19 Challenges
		11. Navigating the Human Side of Transitions in Times of Change
		12. Better Monitoring Using IOT and Big Data
		13. Deloitte AP Resilience Webcast Reimagining Customer Engagement
		14. Strategy meets the Coronavirus
		15. Authentic Leadership ~ Leadership of Distress

		16. Strategy for the Digital Revolution
		17. Building the Tech Talent Pipeline
		18. CX Leaders Week Asia
		19. Leaders are Key to Embedding Agility
	Lim Hooi Sin	1. China International Medical Equipment Fair
		2. MEDICA Germany
	Lim Cheong Guan	1. 2019 Mizuho Investment Conference
		2. CLSA Investors' Forum 2019
		3. Daiwa Investment Conference 2019
		4. Morgan Stanley 18 <sup>th</sup> Annual Asia Pacific Summit
		5. CGS-CIMB 12 <sup>th</sup> Annual Malaysia Corporate Day
		6. Equities Tracker Investor Community Malaysia
		7. Credit Suisse ASEAN Virtual Corporate Days
		8. Daiwa Investment Conference
		9. Citi Pan-Asia Regional Investor Conference 2020
		10. Nomura Investment Forum Asia 2020
		11. ICA Asia Pacific Opportunities Summit
		12. UBS Virtual Malaysia Corporate Day 2020
		13. Bursa-Daiwa-Affin Hwang Malaysia Corporate Day
		14. Invest Malaysia 2020
		15. Macquarie Asean Conference
	Puan Sri Tong Siew Bee	1. FMM CEO Forum
		2. 26 <sup>th</sup> CLSA Investors' Forum 2019
		3. Tzu Chi Entrepreneur camp
		4. Forbes Global CEO
	Datuk Noripah Kamso	1. Integrity and Governance Unit Strategic Plan 2019-2021
		2. Shariah Championship Blueprint Workshop
		3. Power Round Table 1: UN Global Leaders Forum
		4. Ethical Finance 2019
		5. International Shariah Roundtable
	Sharmila Sekarajasekaran	1. Financing the SDGs: Malaysian Private Sector Role in Bridging the Gap from Goals to Actions
		2. The Cooler Earth: Sustainability Summit
		3. Beyond the Crisis: Building Foundations for Growth; Activating Technology, Building Capabilities
		4. Leadership in Times of COVID 19: Does the Global Economy Need a Reset
		5. APPGM-CSO on SDGs - Build Back Better for Health, Resilience and Sustainability
		6. The 2020 Global Symposium on Human Rights, the Sustainable Development Goals & the Law
		7. Disrupted, Yet Getting Ready for the Next Big One: Are Boards Ready for Climate Change?
		8. Climate Risk and the Role of the Board for Non-Executive Directors
		9. Measuring Stakeholder Capitalism
	Datuk Dr. Norma Mansor	1. Bursa Malaysia's Thought Leadership: Sustainability-Inspired Innovations: Enablers of the 21st Century
		2. Khazanah Megatrends Forum 2019
	Azrina Arshad	1. The Cooler Earth: Sustainability Summit
		2. Climate Change Conversations Forum ~ Future of Corporations: Climate Change Risks & Opportunities
		3. Climate Change & Sustainability Conference 2020
	LIM ANDY	1. Mandatory Accreditation Programme for Directors of Public Listed Companies

<b>Explanation for departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>		
<b>Timeframe</b>		

## Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The Company had established the Directors' Code of Conduct and Ethics and the Employees' Code of Conduct reflecting underlying values required to be upheld by personnel.</p> <p>The Directors' Code of Conduct and Ethics was adopted by the Board in 2013 and last updated on 18 August 2020. It covers the principles of conflict of interest, insider dealings, integrity, law compliance obligation and others.</p> <p>Directors are expected to conduct themselves with the highest ethical standards, to behave ethically and professionally at all times to promote and protect reputation and performance of the Company. As part of the enforcement, Directors are required to submit their declaration adhering and observing the provisions in the Directors' Code of Conduct and Ethics annually.</p> <p>The Employees' Code of Conduct was adopted by the Company and updated on 1 July 2020. It provides important guidelines on the acceptable behaviours as an employee of the Company as well as the guidelines relating to the standards and ethics that all employees under Top Glove Group of Companies are expected to uphold in the course of employment and when representing the Company for business dealings with external parties. All the employees are required to read, understand and acknowledge the Employees' Code of Conduct.</p> <p>The Company has taken a very strong stand against bribery and corruption and has adequate anti-corruption and anti-bribery policies and practices integrated into our organisation. In reflecting our commitment to uphold integrity and prevent corruption in the conduct of our businesses, we established the Top Glove Prevention and Anti-Corruption Committee in 2009.</p> <p>Anti-corruption is overseen by the Group's Managing Director, who is also the Chairman of the Top Glove Prevention and Anti-</p>



Corruption Committee (TGPAC) and he spearhead Corporate Integrity in initiating and improvising integrity and work cultures. Corporate Integrity formerly known as Integrity Unit had also been established since September 2017 to maintain, oversee and provide guidance on the ABMS implementation.

Deepening our commitment to uphold the practice of integrity, Top Glove became the first company from private sector to be certified with ISO 37001:2016: Anti-Bribery Management System ("ABMS") in November 2017. Corruption and bribery risk assessment has been put in place since then. The Company has in FY2020 extended and expanded the ISO 37001:2016 ABMS certification to Top Glove Corporation Bhd in response to Corporate Liability Provision Section 17A and Malaysian Anti-Corruption Commission Adequate Procedures that was enforced on 1<sup>st</sup> June 2020.

To kick start Top Glove's new found integrity cultures, the Company founder, Tan Sri Dr. Lim Wee Chai took the Corruption-Free Pledge [better known as Ikrar Bebas Rasuah ("IBR")] together with Federation of Malaysian Manufacturers (FMM) members on July 2018. In September 2018, Top Glove employees in the managerial level performed the IBR led by Dato' Lee Kim Meow, the Managing Director of the Company and witnessed by a Malaysian Anti-Corruption Commission officer. Following the success of this event, the Company has decided to implement the corruption-free pledge for all Top Glove employees starting January 2019. Hence, in August 2020, another Corruption-Free Pledge led by Dato' Lee Kim Meow was conducted together with the Board and Senior Management as well as our Corporate Advisors, which serve as reminder in upholding the highest standards of integrity and preventing corruption in our business conducts.

We refrain from accepting personal gifts or any forms of inducements from suppliers or third parties as consideration for granting them contracts. As a responsible and conscientious company, we hold the view that every contract should be awarded based on the merits of the case.

Similarly, we do not give gifts or any forms of inducement to gain an unfair advantage with customers. A "No Gift Poster" is displayed prominently at the entrance of all our business premises.

Strengthening our stand, in FY2020, we have improvised our TG Gift Declaration online system in terms of reporting structure to guarantee its transparency and accuracy. Top Glove restricted its staff from receiving any personal gifts except for corporate gift marked with company's logo and is compulsory to declare in the online system.

Continue further, Top Glove established the Letter of No Gift Policy (LENGP) which is an effort to remind our guests to not bring any gifts when visiting Top Glove's premises.

	<p>The Company have introduced Top Glove's Anti Bribery &amp; Anti Corruption Handbook in January 2020 to help its employees, customers, vendors and business associates to understand better the Top Glove's corporate values of honesty, integrity and transparency and its efforts to deter any corruption acts.</p> <p>As a recognition of our robust anti-corruption &amp; bribery practices, Top Glove was selected as the sole private sector representative to receive the National Anti-Corruption Plan (NACP: 2019 to 2023) from the Prime Minister in 2019.</p> <p>Further demonstrating our commitment to advancing the government's vision towards a corruption-free nation, we also initiated the Top Glove Anti-Corruption Plan (TGACP) in which we adopt and adapt the applicable initiatives.</p> <p>Our commitment in this area is enshrined in our Business Ethics: Honesty, Integrity and Transparency as well as the Corporate Values: Respect, Integrity, Value, Empowerment and Relationship.</p> <p>The Directors' Code of Conduct and Ethics and the Employees' Code of Conduct are made available on the Company's website at <a href="https://www.topglove.com/governance-manual/">https://www.topglove.com/governance-manual/</a></p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

## Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b> :	Applied.
<b>Explanation on application of the practice</b> :	<p>The Board believes that having a Whistleblowing Policy in place strengthens, supports good management and at the same time demonstrates accountability, good risk management and sound corporate governance practice. A Whistleblowing Policy and Procedure were adopted by the Board in 2010 and further updated in FY2020. It is available on the Company's website at <a href="https://www.topglove.com/whistle-blowing-form/">https://www.topglove.com/whistle-blowing-form/</a></p> <p>The Board aims to provide a platform and to act as a mechanism for parties to channel their complaints or to provide information on fraud, wrongdoings or non-compliance to any rule or procedure by employees or Management of the Company. The Whistleblowing Policy and Procedure outline when, how and to whom a concern may be properly raised, distinguishes a concern from a personal grievance and allows the whistleblower the opportunity to raise a concern outside their management line and in confidence. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retribution.</p> <p>Any concern raised will be investigated by the Top Glove Prevention and Anti-Corruption Committee and Whistleblowing Committee. All whistleblowing cases received are required to be reported to the BAC and significant cases will be highlighted to the Board.</p> <p>In FY2020, BAC has appointed an independent service provider to manage the whistleblowing email server with the objective to protect the whistleblower identity.</p> <p>The whistleblowing email had been changed to TG@whistleblower.com.my whereby identity of the whistleblower is concealed and only the Designated Senior Officer would have the access to the email content received from the whistleblower.</p>
<b>Explanation for departure</b> :	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.1

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>More than half (58%) of the current Board (FY2020) of the Company comprises Independent Non-Executive Directors (“INED”).</p> <p>The current Board (FY2020) comprises twelfth (12) Board members, seven (7) male and five (5) female, of whom one (1) is Executive Chairman, one (1) is Managing Director, two (2) are Executive Directors, one (1) is Senior INED, six (6) are INEDs and one (1) is Non-Independent Non-Executive Director.</p> <p>The BNRC reviews the independence of the Directors annually according to the criteria on independence set out in the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Practice Notes of Main LR. In addition to the annual review by the BNRC of the Directors’ independence, each INED also submits an annual declaration regarding his/her independence.</p> <p>All the INEDs satisfied the independency test under the Bursa Securities Main LR and are also independent from the substantial shareholders of the Company, not being substantial shareholders themselves or directly associated with any substantial shareholder.</p> <p>The majority number of INEDs help to ensure effective check and balance of the Board’s function as the INEDs are often the carers of the minority shareholders in providing constructive feedbacks to the proposals of the Company.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine 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 years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>Based on Malaysian Code on Corporate Governance ("MCCG"), the tenure of an INED shall not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an INED may continue to serve on the Board subject to the Director's re-designation as Non-Independent Non-Executive Director.</p> <p>In the event such Director is to be retained as an INED, the Board must justify and seek shareholders' approval annually for a person who has served in that capacity for more than nine (9) years. If the Board continues to retain the INED after year twelfth, the Board should provide justification and seek shareholders' approval annually through a two-tier voting process.</p> <p>In FY2020, the BNRC has reviewed and assessed the independence of the INEDs and recommended that the Board to seek shareholders' approval at the Twenty Second Annual General Meeting ("AGM") to be held in January 2021 for the retention of Dato' Lim Han Boon who has served on the Board for more than nine (9) years as an INED based on the following justifications:</p> <ol style="list-style-type: none"><li>a. He has fulfilled the criteria of independence contained in the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad. He remains objective and independent in expressing his view and participating in Board deliberations and decision making process;</li><li>b. He had been with the Company for more than nine (9) years and is familiar with Company's business and continued to participate actively in the Board and Board Committee meetings. He guided the Management in an effective manner without compromising his independent and objective judgement and always act in the best interest of the Company;</li></ol>

	<p>c. He has exercised his due care and carried out his professional duties proficiently during his tenure as Senior Independent Non-Executive Director as well as the Chairman and member of Board Committees; and</p> <p>d. He has vast working experience in the accounting and corporate finance fields, which enabled him to provide the Board with a diverse set of expertise and skill. His profile is set out in the Board of Directors' Profile in the Integrated Annual Report 2020.</p> <p>BNRC is of the opinion that the ability of long serving independent director to remain independent and to discharge his duties with integrity and competency should not be measured solely by tenure of service.</p>
<p><b>Explanation for departure</b></p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	
<p><b>Timeframe</b></p>	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.3 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years.

<b>Application</b> :	Not Adopted.
<b>Explanation on adoption of the practice</b> :	



## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

<b>Application</b>	Applied.														
<b>Explanation on application of the practice</b>	<p>The Company takes diversity not only at the Board level but also at the operational level throughout the Group as it is an essential measure of good governance, critically attributing to a well-functioning organisation and sustainable development of the Company. Diversity encapsulates not only gender but also age, ethnicity, professional experiences, business experiences, skills, knowledge and cultural background, if well-managed, can drive performance and strengthen governance.</p> <p>Despite the importance of Boardroom diversity, the Board is of the view that the selection criteria of a Director, based on effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board, should remain a priority, not compromising on qualification, experience and capabilities.</p> <p>The Board carried out Board skill matrix analysis on annual basis, which is essential as an indicator of the skills and experience each individual Director can contribute to the Board and Board Committees. The BNRC will review the desired skill sets to ensure alignment with the objectives, strategic direction and emerging challenges faced by the Company. The result will be used as reference for Board's refreshment, succession planning and development. Selection of candidates will be based on a range of diversity perspectives, including but not limited to professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background.</p> <p>The criteria set out in the Board skill matrix are as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="background-color: #d9ead3;">Knowledge and Skills Set</th> </tr> </thead> <tbody> <tr><td>1. Manufacturing/ Engineering / Production</td></tr> <tr><td>2. Marketing</td></tr> <tr><td>3. Financial, Capital Market and Investment</td></tr> <tr><td>4. Information Technology/ Industrial 4.0/ Automation/ Internet of Things</td></tr> <tr><td>5. Legal &amp; Compliance</td></tr> <tr><td>6. Strategy Development &amp; Implementation</td></tr> <tr><td>7. Entrepreneurship</td></tr> <tr><td>8. Health, Safety and Environment</td></tr> <tr><td>9. Risk Management &amp; Control</td></tr> <tr><td>10. Human Resource / Talent Management</td></tr> <tr><td>11. Mergers and Acquisitions</td></tr> <tr><td>12. Stakeholders Engagement</td></tr> <tr><td>13. Public Relations/ Government Affairs</td></tr> </tbody> </table>	Knowledge and Skills Set	1. Manufacturing/ Engineering / Production	2. Marketing	3. Financial, Capital Market and Investment	4. Information Technology/ Industrial 4.0/ Automation/ Internet of Things	5. Legal & Compliance	6. Strategy Development & Implementation	7. Entrepreneurship	8. Health, Safety and Environment	9. Risk Management & Control	10. Human Resource / Talent Management	11. Mergers and Acquisitions	12. Stakeholders Engagement	13. Public Relations/ Government Affairs
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<b>Experience</b>
<b>1. Manufacturing</b>
<b>2. Information Technology/ Industrial 4.0/ Automation/ Internet of Things</b>
<b>3. Healthcare</b>
<b>4. International</b>
<b>5. Industrial</b>
<b>6. Public listed companies</b>
<b>7. Financial and Business Acumen</b>
<b>8. Public Relations / Government Affairs</b>

Based on the review of the Board composition in FY2020, the Board agreed to maintain the optimum Board size at 12. The optimal size would enable effective oversight, delegation of responsibilities and productive discussions amongst Board members.

A Board Diversity Policy was updated by the Board in June 2019 and is made available on the Company's website at <https://www.topglove.com/governance-manual/>

Aside from achieving gender diversity aspect, the Board also aspires to achieve significant benefits by focusing on individual talents, abilities and experiences to meet the Group's objectives of being the world's leading glove manufacturer; hence, requiring a Board with broader range of competence, skills and experience.

Below sets the summary of the gender, ethnicity and age mix of our Management team, excluding workers (data compiled as at 1 October 2020):

**A) Gender**

Category	Total Headcount	Male Employees		Female Employees	
		Headcount	%	Headcount	%
<b>All Staff</b>	4,757	2,323	48.83	2,434	51.17
<b>Management staff (Manager &amp; above)</b>	550	255	46.36	295	53.64
<b>Directors on Board</b>	12	7	58.33	5	41.67

**B) Ethnicity**

Category	Malay		Chinese		Indian		Others	
	Headcount	%	Headcount	%	Headcount	%	Headcount	%
All Staff	2,480	52.13	1,183	24.87	503	10.57	591	12.42
Management staff (Manager & above)	122	22.18	346	62.91	37	6.73	45	8.18
Directors on Board	3	25.00	7	58.33	1	8.33	1	8.33

**C) Age**

Category	70 & Above		60 to 69		50 to 59		40 to 49		30 to 39		20 to 29		Below 20	
	Headcount	%	Headcount	%	Headcount	%	Headcount	%	Headcount	%	Headcount	%	Headcount	%
All Staff	0	*	17	*	132	3	335	7	791	17	3,466	73	16	*
Management staff (Manager & above)	0	*	13	2	46	8	142	26	288	52	61	11	-	-
Directors on Board	1	8	6	50	5	42	-	-	-	-	-	-	-	-

**Explanation :**  
for  
departure

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

**Measure :**

**Timeframe :**

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.5**

The board discloses in its annual report the company’s policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>For FY2020, the Board has five (5) female Directors, representing 42% of the total Board members. It provides the Board with gender diversity that will add value to the Board’s deliberations from the different perspectives and insights of the female Directors.</p> <p>The Board maintains the pursuit of its target of at least 30% women participation on the Board. The Board will take necessary measures to ensure women candidates are sought in its recruitment exercise for Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The policies and procedures for Board appointments are set out in the Board Charter.</p> <p>In the process of recruiting new Board Members, the BNRC is guided by a clear set of board skill matrix criteria and will conduct a review and assess the suitable board candidates for the Board and Board Committees.</p> <p>Apart from its own networks in sourcing suitable candidates for the Board, the Board also takes into consideration the potential candidates from other independent sources such as 30% Club Malaysia and Institute of Corporate Directors Malaysia. From time to time, BNRC is approached by the independent sources on the potential Board candidates. BNRC will deliberate and determine the suitability based on the Board skill matrix before put forth its recommendation to the Board for further deliberation.</p> <p>For the recruitment of new Board member, BNRC will give its feedbacks on the profile of the said Board candidate. BNRC will identify and evaluate the potential candidates before engaging and interviewing the shortlisted candidates. The engagement and interview sessions enable the BNRC to make an appropriate assessment of their background, experience, personality and time commitment. Thereafter, BNRC will put forth its recommendation to the Board for the Board's approval.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	The Board is open to engaging independent sources whenever it is necessary.
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.7**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	To achieve higher efficiency and effectiveness for Board Committees, the Board had merged both Nomination Committee and Remuneration Committee and renamed as BNRC in October 2017.  The BNRC is chaired by Datuk Dr Norma Mansor, our INED, in line with the MCGG recommendation.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	<p>The Board formalised and adopted the Board Effectiveness Evaluation (“BEE”) Framework in FY2020, which serve as a tool for the Directors to:</p> <ol style="list-style-type: none"><li>1. structure a high-performing Board by reviewing and improving Board performance</li><li>2. reveal gaps in Board composition</li><li>3. improve Board alignment around key issues</li><li>4. provide fresh perspectives on the Board and Management functions</li><li>5. establish proper guidelines for the Board to enhance the effectiveness of their interactions, particularly through strengthening Board practices and processes</li></ol> <p>The BEE framework is available on the Company’s website at <a href="https://www.topglove.com/governance-manual/">https://www.topglove.com/governance-manual/</a></p> <p>As guided by BEE Framework, the Board undertook an annual evaluation via Online Assessment System to review their own performance, the effectiveness of the Board as a whole, the contribution of each individual Director and their peers and independency of INEDs.</p> <p>As for Board Committees, an effective evaluation as a whole Committee, member self’s and peers’ evaluations were carried out. BAC also evaluated the effectiveness of Internal Audit function and the External Auditors performance and independence.</p> <p>In FY2020, the Board performance assessment as well as the Board Members 360° Performance were also extended to our Senior Management team.</p> <p>The evaluations were facilitated by the Company Secretary with the independent advice from our Corporate Advisor, by making reference to the guides available and the good corporate governance compliance companies. The Company Secretary will generate the final reports detailing the outcome of the qualitative and quantitative analysis. Company Secretary will then recommend on the measures or action plan</p>

	<p>to close the gaps and address areas that require improvements with the advice from the Corporate Advisor.</p> <p>The BNRC is entrusted with the responsibility of carrying out annual Board effectiveness evaluation, and to ensure the evaluation process meets the objectivity, including to review and approve all the evaluation forms/questionnaires, review the results of the evaluation and finally to convey the results to the respective parties for improvement and enhancement.</p> <p>Subsequent to the BEE, the interview sessions between the Board Chairman and individual Director with the present of the Company Secretary will be conducted :</p> <ol style="list-style-type: none"> <li>1. To clarify and understand in-depth the responses by Directors on the questionnaire in relation to the Board and Board Committee performance;</li> <li>2. To gain more insights on positive performance areas from the individual Directors' perspective; and</li> <li>3. To obtain inputs from each Director on any specific concerns or areas of improvement to further enhance the overall Board effectiveness.</li> </ol> <p>Based on the assessment, the Board is satisfied with the overall performance of individual Director, effectiveness of the Board and Board Committees and independency of Independent Directors.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	<p>The Board is of the view that the existing measures are robust and adequate for the current Board structure. The Board will continue to assess the need of engaging Independent experts periodically to facilitate the objective and candid Board evaluation.</p>
<p><b>Timeframe</b> :</p>	<p>Within 5 years or such practical time frame to be recommended by the BNRC and approved by the Board.</p>



## Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b> :	Applied.
<b>Explanation on application of the practice</b> :	<p>The Remuneration Policy was updated by the Board in June 2019, it is available on the Company's website at <a href="https://www.topglove.com/governance-manual/">https://www.topglove.com/governance-manual/</a></p> <p>The Remuneration Policy was adopted to ensure the remuneration of Non-Executive Directors are commensurate according to their level of responsibilities and experience and to also structure the component parts of remuneration so as to link rewards to company and individual performance of Directors and ensure it was aligned with the business strategy and long-term objectives of the Company.</p> <p>The Company rewards its Executive Directors and Senior Management with options under Employees' Share Option Scheme ("ESOS") and shares under the Employees' Share Grant Plan ("ESGP"). The Executive Directors are not entitled to receive meeting allowances for the Board and Board Committees meetings they have attended.</p> <p>The Executive Directors who are also the shareholders of the Company have abstained from voting on the resolution to approve their remuneration.</p> <p>The Non-Executive Directors are entitled to receive meeting allowances for the Board and Board Committees meetings they have attended. During FY2020, the Board has deliberated and concluded that the Independent Directors will not be participating in the ESOS and ESGP after considered the concerns from various stakeholders. Only Non-Independent Non-Executive Director is entitled to participate in the ESOS and ESGP.</p>
<b>Explanation for departure</b> :	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

## Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>For effectiveness and efficiency reasons, the Board has merged both Nomination Committee and Remuneration Committee and renamed as BNRC.</p> <p>The duties and responsibilities of the BNRC are clearly stated in its Terms of Reference, which amongst others, includes:</p> <ul style="list-style-type: none"> <li>• To review and assess the remuneration packages of the Executive Directors in all forms, with or without other independent professional advice or other outside advice to reflect the Board's responsibilities, expertise and complexity of the Company's activities.</li> <li>• To ensure the levels of remuneration be sufficiently attractive and be able to retain Directors and Senior Management needed to run the Company successfully.</li> <li>• To structure the component parts of remuneration so as to align with the business strategy and long-term objectives of the Company and to link rewards to individual performance and to assess the needs of the Company for talent at Board level at a particular time.</li> <li>• To review and recommend the fees and benefits payable to the Non-Executive Directors to the Board.</li> <li>• To review and approve remuneration packages of Senior Management and related employees (who are not Directors) to ensure that they are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.</li> </ul> <p>The Terms of Reference of the BNRC is available on the Company's website at <a href="https://www.topglove.com/governance-manual/">https://www.topglove.com/governance-manual/</a></p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application :</b>	Applied.																																																																
<b>Explanation : on application of the practice</b>	<p>In line with best corporate governance practice, the detailed disclosure on named basis for the Directors' remuneration of individual directors comprising remuneration received / receivable from the Company and subsidiaries respectively in FY2020 is shown in the Corporate Governance Overview Statement.</p> <p>The remuneration received from the Company by each of the current Non-Executive Directors and Executive Directors in FY2020 is set out in the tables below :</p> <p>(1) Independent Non-Executive Directors</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Name</th> <th>Fees (RM)</th> <th colspan="3">Other Emoluments (RM)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Dato' Lim Han Boon</td> <td>191,700</td> <td colspan="3">36,400</td> </tr> <tr> <td>2.</td> <td>Tan Sri Rainer Althoff</td> <td>165,000</td> <td colspan="3">19,975</td> </tr> <tr> <td>3.</td> <td>Datuk Noripah Kamso</td> <td>184,000</td> <td colspan="3">37,275</td> </tr> <tr> <td>4.</td> <td>Datuk Dr. Norma Mansor</td> <td>169,000</td> <td colspan="3">23,050</td> </tr> <tr> <td>5.</td> <td>Sharmila Sekarajasekaran</td> <td>173,000</td> <td colspan="3">27,575</td> </tr> <tr> <td>6.</td> <td>Azrina Arshad</td> <td>173,000</td> <td colspan="3">23,950</td> </tr> <tr> <td>7.</td> <td>Lim Andy</td> <td>275,000</td> <td colspan="3">1,500</td> </tr> </tbody> </table> <p>(2) Non-Independent Non-Executive Director</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Name</th> <th>Fees (RM)</th> <th>ESGP (RM)</th> <th>ESOS (RM)</th> <th>Other Emoluments (RM)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Puan Sri Tong Siew Bee</td> <td>124,000</td> <td>-</td> <td>-</td> <td>15,650</td> </tr> </tbody> </table>					No.	Name	Fees (RM)	Other Emoluments (RM)			1.	Dato' Lim Han Boon	191,700	36,400			2.	Tan Sri Rainer Althoff	165,000	19,975			3.	Datuk Noripah Kamso	184,000	37,275			4.	Datuk Dr. Norma Mansor	169,000	23,050			5.	Sharmila Sekarajasekaran	173,000	27,575			6.	Azrina Arshad	173,000	23,950			7.	Lim Andy	275,000	1,500			No.	Name	Fees (RM)	ESGP (RM)	ESOS (RM)	Other Emoluments (RM)	1.	Puan Sri Tong Siew Bee	124,000	-	-	15,650
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(3) Executive Directors							
No.	Name	Salary (RM)	Fees (RM)	Bonus (RM)	ESOS (RM)	Other Emoluments (RM)	Benefit-in-kind (RM)
1.	Tan Sri Dr Lim Wee Chai	2,766,238	150,000	153,275	335,097	328,558	57,887
2.	Dato' Lee Kim Meow	0	130,000	0	0	0	0
3.	Lim Hooi Sin	0	120,000	0	232,794	0	0
4.	Lim Cheong Guan	695,153	120,000	70,830	28,665	80,838	18,840
<b>Explanation :</b> <b>for departure</b>							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>							
<b>Measure :</b>							
<b>Timeframe :</b>							

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Not applicable – Practice 7.3 Step Up adopted.	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

## Practice 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b> :	Adopted.					
<b>Explanation on adoption of the practice</b> :	The Board had formed an Executive Committee ("EXCO") which consists of seven (7) member of senior management and led by the Executive Chairman.  Detailed remuneration of each of EXCO member on a named basis is disclosed as below :					
	<b>No.</b>	<b>Name</b>	<b>Salary (RM)</b>	<b>Bonus (RM)</b>	<b>Benefit in-kind (RM)</b>	<b>Other emoluments (RM)</b>
	1.	Tan Sri Lim Wee Chai	As disclosed under the Directors' Remuneration.			
	2.	Dato' Lee Kim Meow				
	3.	Lim Hooi Sin				
	4.	Lim Cheong Guan				
	5.	Wong Chong Ban	372,719	-	11,100	139,479
	6.	Ng Yong Lin	374,907	-	270	162,251
	7.	Lew Sin Chiang	341,125	17,737	7,410	77,388

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 8.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	The Chairman of the BAC is Dato' Lim Han Boon, our Senior INED, whilst the Chairman of the Board is Tan Sri Dr Lim Wee Chai, an Executive Chairman. This has ensured the overall effectiveness and independence of the BAC.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

**Practice 8.2**

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In line with the recommendation of MCCG, the Terms of Reference of BAC has been revised to include the cooling off period of at least 2 years before any former key audit partner could be appointed as BAC member to safeguard the independence of the audit of the Company’s financial statement. The Terms of Reference of the BAC is available on the Company’s website for reference.  To-date, the Company has not appointed a former audit partner to be a member of the BAC.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

## Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The BAC is assigned to assess, review and supervise the performance, suitability and independent of External Auditors. The BAC has updated the External Auditors Assessment Policy in June 2019 to keep abreast with the current practices pertaining to assessment and review of the External Auditors.</p> <p>Under the updated External Auditors Assessment Policy, the External Auditors are precluded from providing any service that may impair their independent or conflict with their role as External Auditors.</p> <p>The BAC shall obtain a written assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>In September 2020, Ernst &amp; Young presented the External Auditors' report to the BAC and provided a written assurance that they have been independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the audited financial statements of the Group for the financial year 2020.</p> <p>The BAC was satisfied with the suitability of EY based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group.</p> <p>Having regard to the outcome of the annual assessment of external auditors, the Board had in September 2020 approved the BAC's recommendation and the shareholders' approval will be sought at the 22<sup>nd</sup> AGM on the appointment of EY as external auditors of the Company for the financial year ending 31 August 2021.</p>
<b>Explanation for departure</b>	:

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### **Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### **Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted.
<b>Explanation on adoption of the practice</b>	:	The BAC comprises four (4) members, all of whom are INEDs, which meets the requirements of Paragraphs 15.09(1)(a) and (b) of Bursa Securities Main LR.  The current BAC is led by the Senior INED, Dato' Lim Han Boon.

## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>All the members of the BAC are financially literate and BAC Chairman, Dato' Lim Han Boon, is a member of the Malaysian Institute of Accountants, the Chartered Management Institute, United Kingdom ("UK") and fellow of the Association of Chartered Certified Accountants, UK, which fulfilled the financial expertise required by Main LR.</p> <p>During the FY2020, all members of the BAC have continued to participate in training programmes to equip themselves and to effectively discharge their duties as BAC members. The BAC members have constantly kept themselves updated of both local and international affairs and changes in regulations affecting the Company through advisories from regulatory bodies, the Management and through self-reading.</p> <p>BAC's training details are stated in Practice 2.1 above.</p> <p>The BAC members are also updated by the Company Secretaries and Auditors on any change to new accounting and auditing standards that may have impact on the Company businesses via email and at every BAC meeting.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The Board is committed to establishing and maintaining a sound, effective and efficient system of risk management and internal control to safeguard shareholders' investment and the Group's assets. There is an on-going review process undertaken by the Board to ensure adequacy and integrity of the system mentioned.</p> <p>The system of risk management and internal control is designed to identify and manage the Group's risk within the acceptable risk tolerance, rather than to eliminate the risk of failure in achieving the Group's corporate objective in accordance with the Group's strategy.</p> <p>The Board regards risk management as an integral part of all business operations. Hence, the Board explicitly assumes the responsibility of identifying principal risks and ensures the implementation of a dynamic system to manage risk exposure within the acceptable level of tolerance.</p> <p>To fulfil its oversight responsibility, the BAC is committed to review the adequacy and effectiveness of the Group's internal control system. The Group's Internal Audit Department undertakes the obligation to provide control assurance services to the Group.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

## Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	The Board has disclosed the features of its risk management and internal control framework and the adequacy and effectiveness of this framework in the Statement on Risk Management and Internal Control. The Board Risk Management Committee is reviewing and monitoring the Group's risk management framework and activities and putting in place necessary measures to manage and mitigate the risk.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted.
<b>Explanation on adoption of the practice</b>	:	<p>The Board Risk Management Committee ("BRMC") has been established and comprised a majority of INEDs, i.e. four (4) INEDs and two (2) Executive Directors.</p> <p>To fulfil its oversight responsibility, the Board, as a whole or through delegation to the BRMC, reviews the adequacy and integrity of the Group's risk management framework and policies which encapsulates the key processes or risk identification, assessment, mitigation, monitoring and reporting.</p> <p>The Risk Working Committee, comprises the head of various departments was formed to assess risk contained at the respective business unit level. Risk Assessment Report deliberated by the Risk Working Committee will be compiled and submitted to BRMC for review.</p>



## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>The Group has in place an in-house Internal Audit Division (“IAD”) which provides the Board, through BAC, with independent assessment and assurance on the adequacy and effectiveness of the Group’s system and internal controls. The IAD reports functionally to the BAC in order to preserve its independence and objectivity.</p> <p>A rolling three (3) years internal audit plan, with specific audit scopes identified from the audit universe, is tabled regularly to the BAC for approval. Guided by the approved plan, internal audit assignment is carried out to evaluate the adequacy, effectiveness and efficiency of the internal control system of the areas under review.</p> <p>Details of the internal audit function are set out in the Statement on Risk Management and Internal Control on page 134 of the Integrated Annual Report 2020.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The IAD carries out the Internal Audit function, of which the Head of Internal Audit reports directly to the BAC. The IAD is independent of the activities audited and also independent from everyday internal control process.</p> <p>The principal objective of the IAD is to undertake regular reviews of the systems of controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and satisfactory.</p> <p>Currently, the IAD is led by Lim Lung Fui @ Jack, a member of Malaysian Institute of Accountants. For FY2020, the number of internal audit personnel was 12 (twelve) comprising degree holders and professionals who equipped with the required proficiency and competency to discharge their roles effectively.</p> <p>The Board via the BAC will review the Internal Audit function such as:</p> <ul style="list-style-type: none"> <li>• review the adequacy of the scope, functions, competency and resources of the Internal Audit function, and that it has the necessary authority to carry out its work;</li> <li>• review the Internal Audit programmes, processes and results of the Internal Audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the Internal Audit function;</li> <li>• review any appraisal or assessment of the performance of the members of the Internal Audit function;</li> <li>• approve any appointment or termination of senior staff members of the Internal Audit function; and</li> <li>• take cognisance of resignations of Senior Internal Audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.</li> </ul>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	<p>The Company recognised the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Investor Relations ("IR") team has been scheduling regular engagement sessions with investors and is usually attended by the Executive Directors and the IR team.</p> <p>The IR team also attends conferences, non-deal roadshows, and one-on-one meeting with equity analysts, fund managers and institutional shareholders to provide updates on the Company's quarterly financial performance, corporate and regulatory developments as well as to discuss on strategic matters and address issues that the investing community may have with respect to the businesses or operations of the Company.</p> <p>Analyst and media briefing via conference call will usually be held immediately after release of quarterly results to Bursa Securities or an actual briefing will be held within a week after the release of the quarter results chaired by the Executive Chairman, Managing Director and Executive Director.</p> <p>The Company has established a comprehensive corporate website at <a href="https://www.topglove.com">https://www.topglove.com</a> which includes a dedicated section on IR to further enhance shareholders' communication.</p> <p>To better serve stakeholders of the Company, a feedback page on the website provides an avenue for stakeholders to suggest improvements to the Company via email: <a href="mailto:invest@topglove.com.my">invest@topglove.com.my</a>.</p> <p>Besides, the Integrated Annual Report remains as a vital and convenient source of essential information for investors, shareholders and other stakeholders. The Management constantly improves the contents of the Integrated Annual Report to incorporate developments amongst others, in corporate governance and reports of Board Committees.</p> <p>Another key avenue of communication with its shareholders is the Company's Annual General Meeting, which serves as the</p>

	<p>principal forum for dialogue with shareholders where they may raise questions or seek clarifications on the Company's businesses and reports from the Directors.</p> <p>Further details on Top Glove's stakeholder engagement activities were set out on page 124 of the Integrated Annual Report 2020.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

## Practice 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Company had in FY2020 embarked on its integrated reporting journey in meeting the needs of various stakeholders and achieve business benefits. This inaugural Integrated Annual Report was prepared based on globally recognised framework issued by the International Integrated Reporting Council.</p> <p>The Company's Integrated Reporting process is an ongoing journey and a major milestone for Top Glove on its quest to build stronger relationships with its stakeholders as well as to further improve the quality of information disclosure for long term value creation.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 12.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The Notice of 2021 AGM and other relevant AGM documents are issued to the shareholders on 13 November 2020, which is more than 28 days' notice prior to the 2021 AGM. In addition to sending the notice, the Company also published the Notice of AGM on its website and released via Bursa LINK.</p> <p>The Notice of AGM provides detailed explanation for resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to make informed decisions regarding the AGM business agenda of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 12.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>The dates of AGM, Board and Board Committees' Meetings for each financial year were fixed in advance for the whole year to ensure all Directors/Committees members' dates are booked and also enable Management's planning for the whole financial year.</p> <p>At the 21<sup>st</sup> AGM held on 8 January 2020, all Directors except Mr Tay Seong Chee, Simon attended the AGM. Mr Tay Seong Chee, Simon has decided to retire as Director of the Company during the 21<sup>st</sup> AGM. In addition to the Directors, our Senior Management and External Auditors were also in attendance to answer to our shareholders' questions.</p> <p>At the fully virtual Extraordinary General Meeting ("EGM") held on 18 August 2020, all Directors attended the AGM. Lim Hooi Sin, Lim Andy and Puan Sri Tong Siew Bee joined the virtual EGM remotely.</p> <p>The Board ensures that sufficient opportunities are given to shareholders to raise issues relating to the affairs of the Company and that adequate responses are given.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders’ participation at General Meetings.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>At its fully virtual EGM held on 18 August 2020, the Company had leveraged on technology to facilitate remote shareholders’ participation and electronic voting for the conduct of poll on the resolution for the first time.</p> <p>The entire EGM proceedings were held through Securities Services ePortal. The Administrative Details of the EGM as well as the Securities Services ePortal user guide with detailed registration and voting procedures were shared with the Shareholders and the same were also published in the Company website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES  
PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA  
MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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