

Corporate Governance Overview Statement

OUR APPROACH AND COMMITMENT TOWARDS BEST GOVERNANCE PRACTICES

With governance underpinning the foundations of an organisation, we remain committed to sustainable business practices and embracing the highest standards of corporate governance in managing our business and successful delivery of our strategies despite the rapidly changing regulatory and business environment.

Our Board continues to play a crucial role in ensuring the stability of the business during challenging times by delivering effective leadership and drive strong and sustainable financial and operational performance for the Group and long-term value creation for our stakeholders.

At Top Glove, we recognise that our people are our greatest asset as we have declared 2023 as the 'Year of People Excellence'. The resilience and commitment of our people in keeping our operations running safely and providing the highest quality of products and service to our customers despite the challenges encountered are testament to the quality of our people.

The Group believes that good governance is particularly important in times of macroeconomic uncertainty. We emphasise on our continual commitment to high corporate governance standards and fostering a healthy and responsible culture throughout the Group. We view corporate governance as an ongoing and fundamental discipline that generates value for our stakeholders and underpins our success.

In the current challenging economic environment, effective oversight of strategy and risk is vital for the long-term sustainability of the Group. Our Board seeks to be responsive to evolving regulatory environment and societal expectations, ensuring alignment between the Group's culture, purpose and values, as well as ensuring that the Company has the necessary financial and human resources to deliver its strategies successfully.

Our Board is aware on its responsibility towards its stakeholders and is committed to setting the Company's purpose, values and high standards with the Board Chairman and all Non-Executive Directors having the support of the Executive Directors and the Management team, embedded throughout the Group. Leading by example, we aim to demonstrate Top Glove's strong corporate values and culture, ultimately promoting the long-term sustainable success of the Company for the benefit of all our stakeholders.

This Statement makes reference to the three (3) broad principles of the Malaysian Code on Corporate Governance ("MCCG"):

A

Principle A: Board Leadership and Effectiveness

B

Principle B: Effective Audit and Risk Management

C

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders



Scan the QR code for more information about Our Corporate Governance Policies and Disclosures

<https://www.topglove.com/governance-manual/>



Scan the QR code for more information about Our Corporate Governance Report 2023

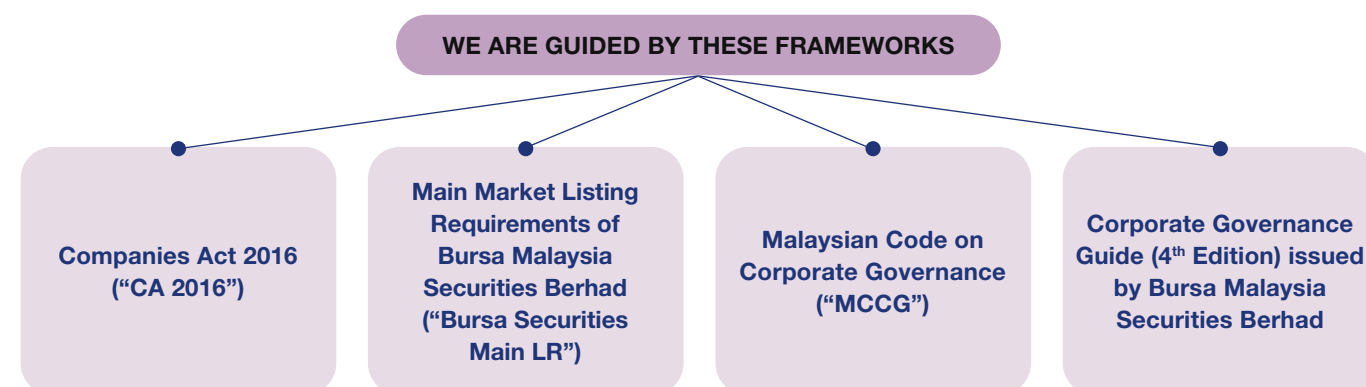
https://tgapp.topglove.com/IAR/2023/CG_Report_2023/index.php

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SUMMARY OF CORPORATE GOVERNANCE PRACTICES

For the financial year ended 31 August 2023 ("FY2023"), Top Glove Corporation Bhd ("Top Glove" or "the Company") has applied all the Practices and adopted all the step-ups encapsulated in MCCG. We will continue our efforts to further strengthen our governance practices in ensuring its robustness to continuously safeguard the interests of our stakeholders while driving growth.

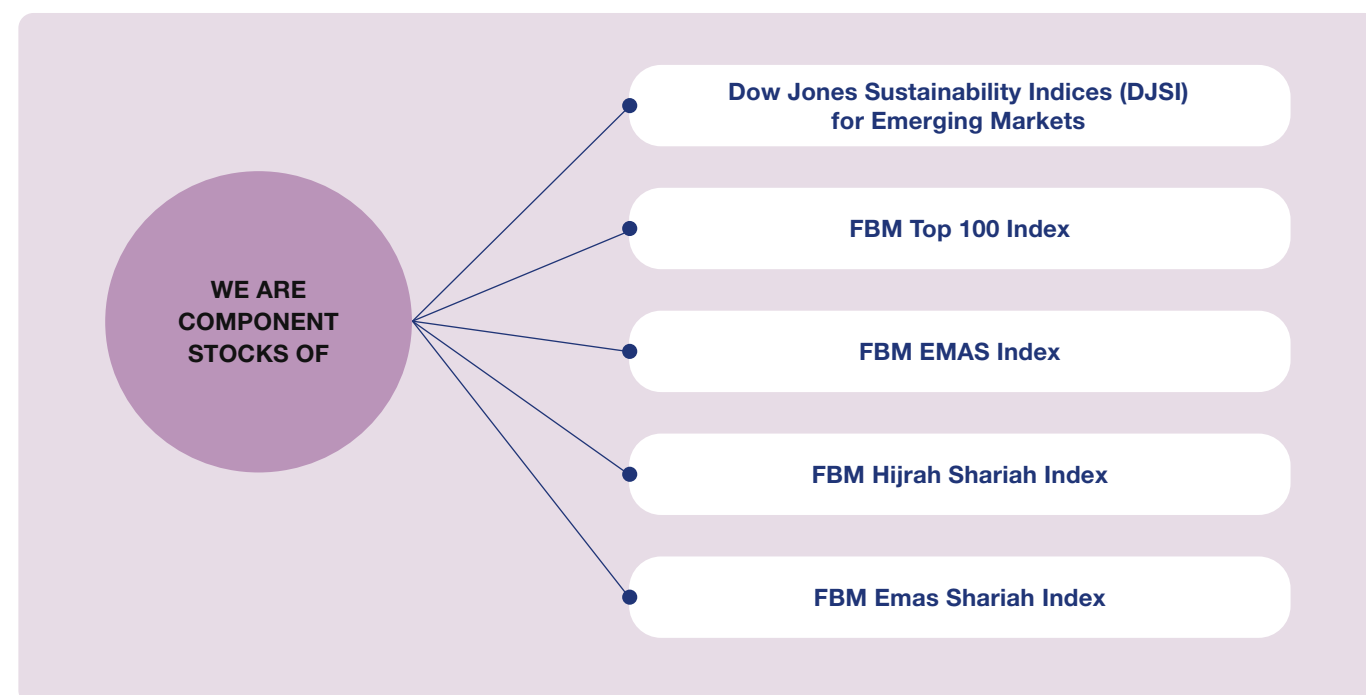
 The detailed explanation of how the Company has applied, complied with and adopted the MCCG Principles and Practices are outlined in the Corporate Governance Report 2023, which is available on our website at <https://www.topglove.com/governance-manual/>



OUR GOVERNANCE PRACTICES EXCEED
WHAT IS GENERALLY REQUIRED

**MSWG-ASEAN
Corporate Governance
Award 2021**

**Ranked
No. 44**
in the list of Top 100 Companies for overall
Corporate Governance Disclosure 2021



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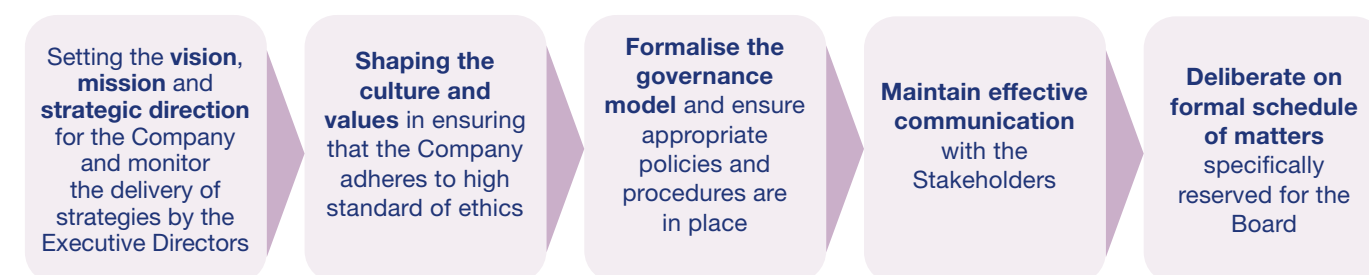
A PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

OUR BALANCED AND EXPERIENCED BOARD DELIVERS AND DRIVES OUR STRATEGIES

BOARD OF DIRECTORS

Led by the Board Chairman, the Board takes primary responsibility and sets the tone in defining the Group's strategic direction, risk appetite and control environment aiming to promote long-term values to stakeholders.

Key responsibilities of the Board are as follows:



The Board Charter duly adopted by the Board clearly established the functions reserved for the Board and those delegated to Management. It is a reference and induction literature in providing the Board and Management an insight into the functions of the Board.

 The Board Charter is accessible through the Company's website : <https://www.topglove.com/governance-manual/>

Board Committees

Presently, the Board is supported by four (4) Board Committees with delegated responsibilities to oversee the Group's affairs and authorise to act on behalf of the Board in accordance with their respective Terms of Reference ("TOR").

The Board Chairman does not sit on any of the Board Committees. All Board Committees are chaired by different Board members who are Independent Non-Executive Directors.

Each Board Committee will review, report and make recommendations to the Board during the Board meeting on key matters discussed at their respective Board Committee meetings. The Chairman of the respective Board Committee will provide highlights to the Board and the minutes of the respective Board Committees meeting will also be tabled at the quarterly Board meetings so as to keep the Board abreast of the decisions and deliberations made by each Board Committee.

Similar to the Board, each Board Committee is supported by the Company Secretary and has access to independent advice as required for the performance of its duties.

EXCO

Executive Committee ("EXCO") assists the Executive Chairman in ensuring that the Board's decision, strategies set, business plans, budgets, policies, procedures, strategic business and operational issues approved by the Board are implemented, executed and/or monitored efficiently and effectively by the Group's Executive Management.

The EXCO will review and consider the transactions or activities put forth by the Management and approve them within its delegated authority or recommend them to the appropriate Board Committee and/or the Board.

Company Secretaries

Company Secretaries play an advisory role to the Board and support the Board in ensuring that all governance matters and Board procedures are followed through and applicable laws and regulations are complied with.

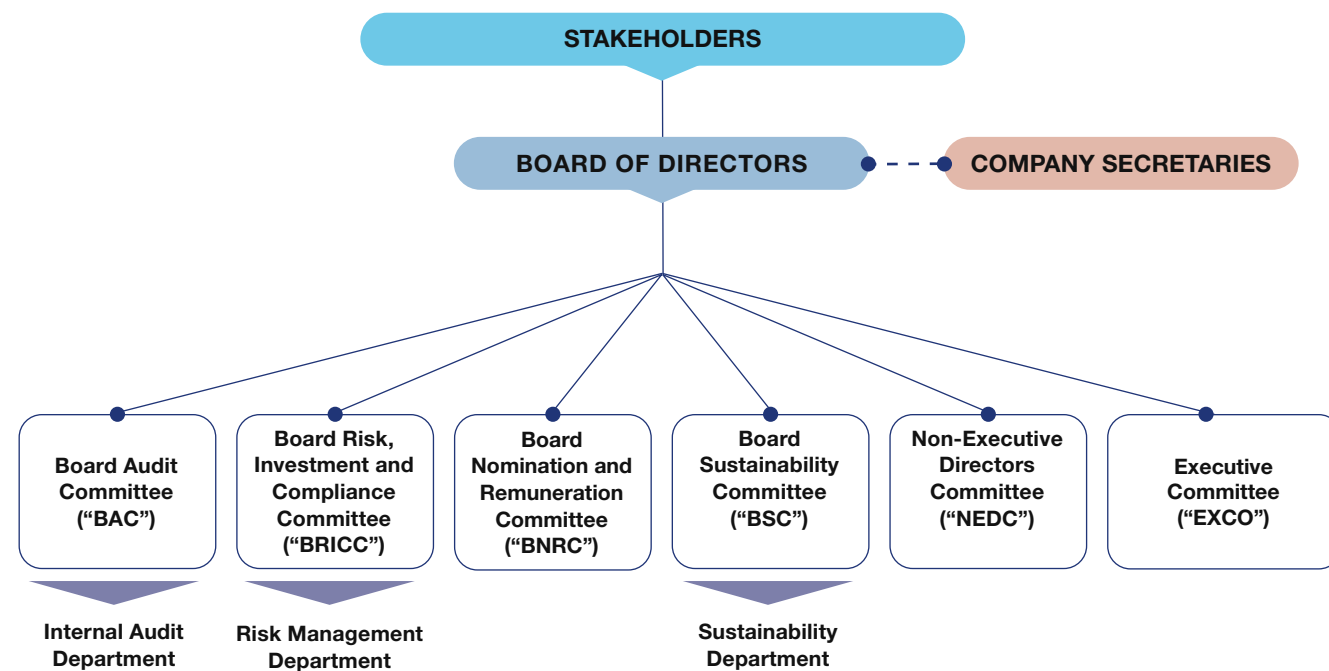
The Board is regularly updated by the Company Secretaries on changes in the relevant statutory and regulatory requirements, particularly in areas relating to the duties and responsibilities as well as disclosure requirements of the Directors.

The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and the Group's Management as well as the Board induction programmes and assisting with Directors professional developments.

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CORPORATE GOVERNANCE FRAMEWORK



ROLES

Executive Chairman ("EC")

The EC leads the Board and manage the interface between the Board and Management. He is also responsible for the orderly conduct and effective function of the Board.

Executive Directors ("ED")

The EDs are responsible for the day-to-day operations of the Group whereby operational issues are discussed, major transactions and matters relating to the Group are reviewed and operational strategies are formulated.

Independent Non-Executive Directors ("INED")

The INEDs deliberate and discuss policies and strategies formulated and proposed by the Management with the view of long-term interests of all stakeholders.

The INEDs provide independent and unbiased view, advice and judgement to ensure a balanced and unbiased decision-making process to safeguard the long-term interests of all stakeholders.

Managing Director ("MD")

The MD spearheads and is responsible for the overall businesses and day-to-day management of the Group in accordance with the strategic plans and within the budgets approved by the Board.

Senior Independent Non-Executive Director ("SINED")

The SINED serves as an intermediary to other Directors when necessary and be available to all stakeholders if they have any concerns which require resolution.

Non-Independent Non-Executive Director ("NINED")

The NINED provide in-depth knowledge and insights from the Group's perspective.

The NINED ensures that the knowledge and insight contributed will lead to a comprehensive, balanced and unbiased decision-making process that serves in the best interests of the Group and to protect the interests of shareholders.

BOARD MEETING

The Board meets at least six (6) times in each financial year to review the formal schedule of matters specifically reserved for its approval. Additional meetings may be convened as special Board meetings, as and when necessary. In the intervals between Board meetings, any matters requiring Board's decisions or approvals will be sought via circulation of written resolutions with supported information and detailed explanations to enable the Board to make an informed decision and the same practice applies to the Board Committees.

The meetings of the Board, Board Committees and AGM were scheduled before the start of the new financial year and the calendar of meetings are drawn up and tabled to the Board in advance. This is to ensure all Directors and Board Committees' schedules are booked and to also facilitate the Management's planning for the whole financial year. The Board's decisions made at the Board meeting shall be by a majority vote as prescribed by the Constitution of the Company.

In FY2023, the Board met six (6) times. The Internal and External Auditors, Corporate Advisor and the Company Secretary will attend the Board meeting upon invitation. The Senior Management will attend the Board meetings to present their proposal and provide explanation on matters relating to their spheres of responsibility.

The Board has adopted the 75% Board Meeting attendance requirement to be in line with good governance practices, having viewed that technology has made it more convenient for meeting participation. In FY2023, all Directors complied with the 75% Board meeting attendance requirement.

Directors' attendance at Board, Board Committees Meetings and General Meeting held during the FY2023

	Name of Directors	Designation	Board Meeting ("BOD")	General Meeting ("GM")	Board Committees			
					BAC	BRICC	BNRC	BSC
1.	Tan Sri Dr Lim Wee Chai	EC	6/6	1/1	-	-	-	-
2.	Lim Cheong Guan	MD	6/6	1/1	-	-	-	-
3.	Lim Hooi Sin	ED	6/6	1/1	-	-	-	-
4.	Ng Yong Lin	ED	6/6	1/1	-	-	-	-
5.	Dato' Lee Kim Meow ^a	NINED	6/6	1/1	-	2/3	3/3	3/3
6.	Sharmila Sekarajasekaran	SINED	6/6	1/1	8/8	-	5/5	4/4
7.	Datuk Noripah Kamso ^b	INED	3/3	1/1	5/5	2/2	-	-
8.	Datuk Dr. Norma Mansor	INED	6/6	1/1	-	4/4	5/5	-
9.	Azrina Arshad	INED	6/6	1/1	-	-	5/5	4/4
10.	Lo Kai Yiu, Anthony ^c	INED	1/1	-	-	-	-	1/1
11.	Martin Giles Manen	INED	6/6	1/1	8/8	4/4	-	4/4
12.	Dato' Kong Sooi Lin ^d	INED	3/3	1/1	-	-	-	-
13.	Dr Ngo Get Ping ^e	INED	6/6	1/1	3/3	2/2	5/5	-
14.	Lester Garson Huang ^f	INED	-	-	-	-	-	-
15.	Dr Chong Su-Lin ^g	INED	3/3	-	2/2	-	-	-
16.	Rowina Ghazali Seth ^h	INED	3/3	-	-	-	-	2/2
Total number of Meetings:			6	1	8	4	5	4

^a Dato' Lee Kim Meow was appointed as a member of BRICC on 20 September 2022, a member of BNRC on 3 October 2022 and a member of BSC on 14 December 2022.

^b Datuk Noripah Kamso retired as an INED during the 2023 AGM held on 6 January 2023 and stepped down as Chairman of BRICC and a member of BAC on 6 January 2023.

^c Lo Kai Yiu, Anthony resigned as an INED and stepped down as a member of BSC on 3 October 2022.

^d Dato' Kong Sooi Lin retired as an INED during the 2023 AGM held on 6 January 2023.

^e Dr Ngo Get Ping was appointed as Chairman of BRICC and a member of BAC on 6 January 2023.

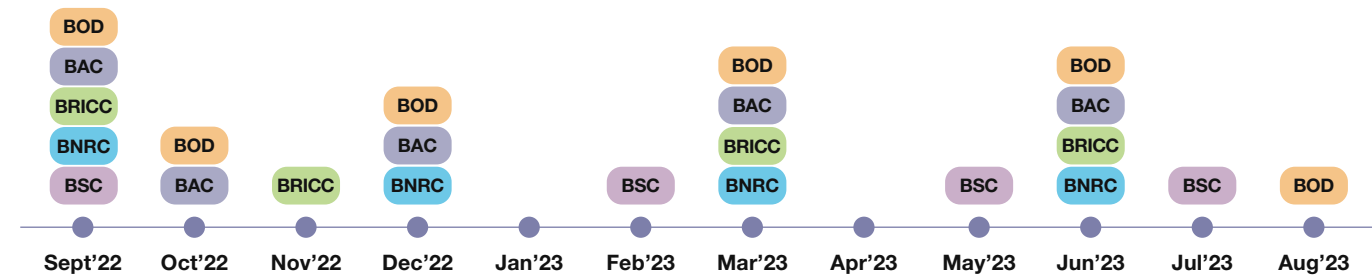
^f Lester Garson Huang resigned as an INED and stepped down as a member of BSC on 13 September 2022.

^g Dr Chong Su-Lin was appointed as an INED effective 6 January 2023 and a member of BAC on 16 March 2023.

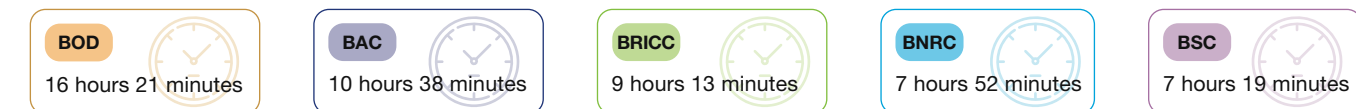
^h Rowina Ghazali Seth was appointed as an INED effective 6 January 2023 and a member of BSC on 16 March 2023.

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FY2023 Board and Board Committees' Meeting Calendar



Total hours for Board and Board Committees' Meetings FY2023



Board's Key Areas of Focus during FY2023:

Strategy	1. Business strategy brainstorming, setting strategic direction and strategic plans progress updates
	2. Annual Group financial budget setting and review
	3. Reviewed Balanced Scorecard for the Group
	4. Reviewed the Group's Investment Policy and Procedure
	5. Set Strategic Plan and Turnaround Plan to overcome current business challenges
Financial Performance	6. Quarterly, half-yearly and yearly financial performance reports
	7. Shares performances on Bursa Securities and Singapore Exchange
	8. Capital structure review and balance sheet management
	9. Dividend Policy and Procedure
Risk and Internal Controls	10. Enterprise Risk Management Framework and report
	11. Material risks and mitigation plans
	12. Business Continuity Management Policy and Framework
	13. Jurisdictional Regulatory Framework
Corporate Governance and Compliance	14. Board Charter, Board Manual and Terms of Reference of Board Committees
	15. Board and Board Committees size and composition
	16. Board appointment, renewal and re-election
	17. Board remuneration policy review
	18. Board Effectiveness Evaluation and actionable improvement plan
	19. Corporate Governance disclosure review and updates
	20. Reappointment of Auditors
	21. Board Policies adoption and revision
	22. Board and Senior Management succession planning
	23. Group Organisation Chart and Corporate Structure
	24. Integrated Annual Report and Shareholders Statement
	25. Summary of Shareholders Questions and Feedback of Annual General Meeting
	26. Employees' satisfaction survey
Sustainability	27. Business and Human Rights Policy and Framework
	28. Sustainability Initiatives progress updates
	29. Labour practices management and social compliance
	30. Materiality Assessment for Sustainability matters
	31. Sustainability Roadmap and Strategies Framework
	32. Integration of Sustainability into Business Strategy
	33. Remuneration payment linked to ESG metrics
	34. Review sustainability key performance indicators for Senior Executives

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BOARD AWAY DAY

Held annually, the Board had its Board Away Day in August 2023 with the theme "Perfect Response to Perfect Storm" which reinforced Top Glove's objective "How can Top Glove Emerge or Ride Out from This Perfect Storm?" facilitated by the Company's Corporate Advisor.

The Board together with the Executive Committee ("EXCO") were divided into two (2) groups during the Board Away Day to brainstorm the priority items, strategic intents and desired outcomes by having a reality check and focusing on the action plans to overcome all challenges faced by the Group.

The action plans concluded will be reviewed by the EXCO and its progress of implementation will be updated at the EXCO meeting held quarterly, followed by the Board during its quarterly Board meeting. The Board brings objectivity by scrutinising the Management's accountability and implementation in ensuring the goals and targets set for Management are met within the stipulated timeline and in line with the Company's long-term objectives.

INDEPENDENCE

The Board recognises the significant contribution by the INEDs to the Company in bringing independent and objective judgment to the Board in decision-making.

An annual independency assessment has been carried out by the BNRC to reaffirm the independence of all INEDs based on the provisions of Bursa Securities Main LR, including a self-declaration of any involvement or relationship which could interfere with an independent judgement and ability to act in the best interests of the Company. An independent confirmation based on the independency assessment is also obtained before appointment of INED.

During FY2023, the Board was satisfied that none of the INEDs had any relationship that could materially interfere with or be perceived to materially interfere with their unfettered and independent judgement and ability to act in the best interests of the Company.

The Board has adopted and further updated the Independent Director Tenure Policy which sets the limit on the tenure of Independent Directors to nine (9) years without further extension. Upon completion of nine (9) years tenure, an Independent Director will vacate his/her Board seat from the Company.

SUPPLY AND ACCESS TO INFORMATION

The Board and Board Committees received pertinent information from the Management on a timely basis to fulfil their roles. Besides, all the Board Committees and Executive Committee ("EXCO") meetings minutes and meeting highlights were tabled in Board meeting for Directors' attention and notation.

All Directors are provided with the Board meeting agenda and Board papers in advance, containing information such as the Company's financial performance, business outlook and respective Board Committees' Reports prior to the Board meeting to facilitate informed decision-making process. The Managing Director and Executive Director would lead the presentation of Board papers and provide comprehensive explanations of strategy and business plans, business performance, potential mergers and acquisitions and other pertinent issues.

Proposals and recommendations by the Management will be discussed at the EXCO level and then the recommendation from EXCO will be put forth to the relevant Board Committees for deliberation and endorsement. Thereafter, the Chairman of the respective Board Committees will brief the Board and seek its approval. All matters raised, deliberations, decisions and conclusions including dissenting views made at the Board meetings with clear actions to be taken by responsible parties are recorded in the minutes.

Notice on the closed period for dealing in Top Glove's securities are served to Directors, key management personnel and principal officers who are deemed to be privy to any sensitive information for the applicable periods especially the regular annual scheduled Board meetings to approve the quarterly financial results. This is to comply with Bursa Securities Main LR and the Capital Markets and Services Act 2007 requirements where Directors, key management personnel and principal officers of the Company and the Group are prohibited from dealing in securities based on price sensitive information which have not been publicly announced within thirty (30) calendar days before the targeted date of announcement of the quarterly financial results up to the date of announcement.

The Directors are also notified of any corporate announcements released to Bursa Securities and the impending restrictions on dealing with the securities of the Company prior to the announcement.

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ENGAGEMENT SESSION BETWEEN TOP GLOVE'S NON-EXECUTIVE DIRECTORS AND FACTORY OPERATIONS STAFF & WORKERS REPRESENTATIVES

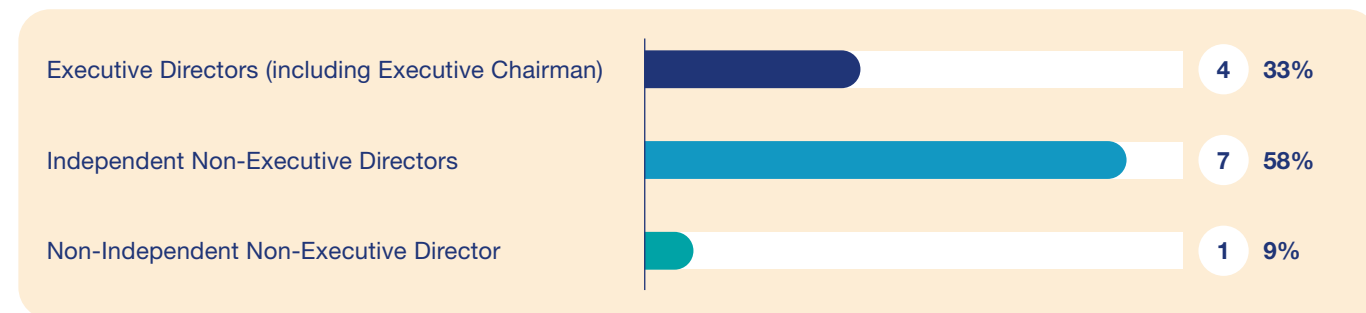
In adhering to their fiduciary duties, the Non-Executive Directors ("NEDs") had set aside their busy schedule to engage with factory operations staff and workers representatives on 6 October 2023. The engagement session involved workers from different nationalities and staff of different job levels. The NEDs had taken this opportunity to visit the Kenangan Meru hostel and to have a better understanding on the occupants' safety and wellbeing. The NEDs were apprised of various matters and as feedback, the NEDs also shared some invaluable recommendations for the betterment of the working and living condition of both staff and workers. The issues such as enhanced security measures and road safety at accident-prone areas, adequate lighting at the hostel and factories, medical issues and local council collection matters were discussed. As a proper engagement follow-through, the Human Resources department will provide the NEDs with status updates on the action plans in due course and as and when required.

BOARD BALANCE, COMPOSITION AND DIVERSITY

The Board regularly review its composition to ensure that the composition best fits the Company's needs and is adequate and effective in discharging its duties and responsibilities.

In the course of identifying experienced, qualified and fit-for-purpose candidates, the BNRC had approached several external sources including the Institute of Corporate Directors Malaysia ("ICDM") and independent human resources advisors. BNRC has made reference to the Board Skills Matrix Assessment and Board Effectiveness Evaluation exercise conducted for FY2023 in the selection of potential Board candidates. The BNRC also shared the Board skills matrix with external sources in recruiting the desired candidate who met the Company's requirements.

As at 31 August 2023, the Board comprise twelve (12) Board members as below:



The Board is committed in maintaining diversity and inclusion in its composition and decision-making process. In this regard, the Board considers diversity from different aspects, including gender, age, cultural and educational background, nationality, professional experience, skills, knowledge and length of service.

There is a clear division between the roles of Chairman and the Managing Director to preserve a balance of authority and accountability to avoid unfettered powers of decision-making.

During the year under review, the Board through the BNRC reviewed and restructured the Board Committees' composition to ensure that the composition best fit the Company's need. The women Directors represented 42% of members of the Board. In recognition of its effort and achievement to embrace Diversity, Equity and Inclusion, Top Glove had been included in the Bloomberg Gender Equality Index in January 2023.

In line with the MCGG Guidance Note 5.10, the participation of women in decision-making positions should not be focused on Board position alone but should include the members of Senior Management. The Board had on December 2022 updated the existing Board Diversity Policy to maintain at least 30% women participation on its Board and Senior Management level.

The Board continues to focus on diversity and to also ensure the Board have the right mix of skills and balance to contribute to the Group's business needs when assessing new candidates for Board members. The Board would review succession plans to ensure an appropriate focus on diversity as well.

Meritocracy remains the basis for appointment and promotion at Senior Management level whereby the incumbent must possess the pre-requisite qualification, experience, technical and leadership competencies. Having diverse key team members who have the right skill sets, experience, age, cultural background and gender will enrich the Group's talent pool with ever ready successors.

The Board Diversity Policy is accessible through the Company's website : <https://www.topglove.com/governance-manual/>

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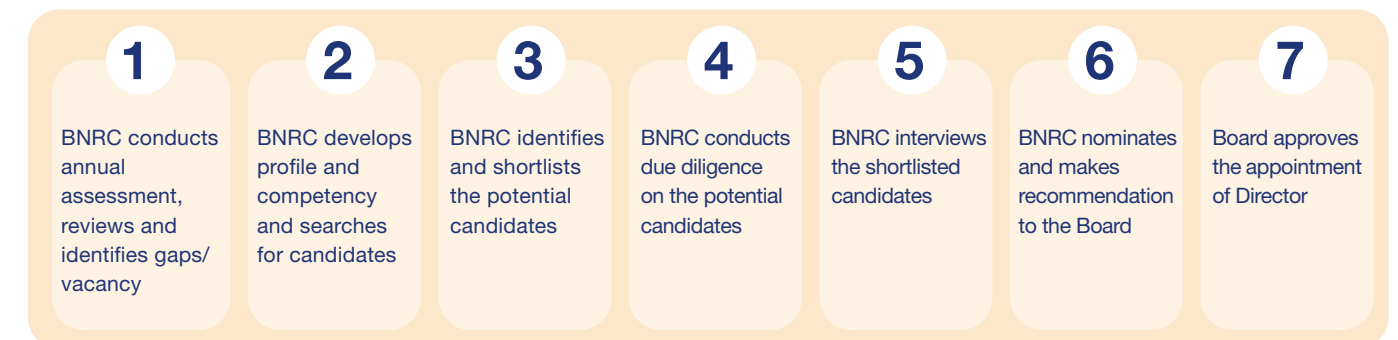
BOARD APPOINTMENT AND SUCCESSION PLANNING

The selection, nomination and appointment of suitable candidates to the Board follow a transparent process, through the BNRC. The BNRC is also responsible for reviewing the existing composition of the Board, identifying the gaps and subsequently recommend to the Board a suitable candidate with the required skill set, expertise and experience. The Board had during its meeting held in September 2021 resolved not to consider any active politician to be on the Board.

In reviewing and recommending to the Board of any new Director's appointment, the BNRC considers:



Top Glove's Boardroom appointment process is as follows:



The Board, with assistance from the BNRC, is responsible for succession planning for the Directors and Key Senior Management ("Key Business Leaders"), guided by the Succession Planning Policy adopted by the Board. The succession planning is to ensure the stability and accountability of the Group by preparing for an eventual permanent change in leadership, either planned or unplanned, this is to ensure continuous support in operations and service when the Key Business Leaders leave their positions.

The Succession Planning Policy is accessible through the Company's website : <https://www.topglove.com/governance-manual/>

DIRECTORS' RE-ELECTION

The BNRC and Board ensure that the annual re-election of Directors was contingent on satisfactory evaluation of Directors' performance and contribution to the Board.

The details of the Directors standing for re-election and the justification can be found on pages 221 and 222 of the Notice of AGM.

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DIRECTORS' PROFESSIONAL DEVELOPMENT

The Board has a training policy for Directors to ensure all Directors have access to learning, development and training opportunities. The aim is to better equip Directors with the skills and knowledge required to fulfil their fiduciary duties and carry out their roles and responsibilities.

The Board Induction Programme is coordinated by the Company Secretary together with the Managing Director, Executive Director and heads of business units with the objectives of providing the newly appointed Directors the necessary information and overview to assist them in understanding the industry, operations, financials, corporate strategies, current issues and challenges, structure and the management of the Company. On-site briefings or site visits are also conducted to enhance understanding of the Company's operations.

The Board through the BNRC has determined the training needs of the Directors based on the outcome of the annual Board performance and effectiveness evaluation. The Company Secretary continuously identify and recommend suitable development programmes for respective Directors based on their training need analysis. The Directors may raise any training needs with the Chairman, who ensures that the training programmes meets the needs of the Board, Directors and the business. Directors may also request training on specific issues with some attending external courses which are specific to their areas of expertise, such as risk, remuneration or audit.

Ongoing trainings in business and industry related as well as regulatory updates are provided to the Board. This ensures that the Board remains updated with the latest trends in the industry and business world as well as latest development in the regulatory and legal matters. From time to time, meetings with subject matter experts in the business are arranged for Directors who wish to gain deeper insights into a particular topic.

Summary of Training attended by all Board members in FY2023

Training Categories	Number of Training Attended
A. Corporate Governance, Risk Management and Internal Controls	20
B. Sustainability, Risk and Compliance	17
C. International or Regional Business Experience including Marketing Strategy	14
D. Human Capital or Talent Management	8
E. Accounting and Financial Reporting	8
F. Information Technology or Digital Strategy	7
G. Industry Experience (i.e. Healthcare, Manufacturing Sector)	5
H. Legal and Regulatory	7
I. Operations and Quality Management	3
Total	89

 During FY2023, all the Board members attended various training programmes; the details of training attended by each Director can be found on pages 15 to 20 of the Corporate Governance Report 2023.

 The Training Policy for Directors is accessible through the Company's website : <https://www.topglove.com/governance-manual/>

BOARD AND SENIOR MANAGEMENT REMUNERATION

The Remuneration Policy and Procedures for Directors and Senior Management ("the Remuneration Policy") was updated by the Board in September 2021 to reflect the current component of the remuneration packages and current structure of the Board and Senior Management. The Board had resolved to adopt the practice whereby the Executives remuneration will link to Environmental, Social and Governance (ESG) metrics and the performance evaluations of the Board and Senior Management include a review of their performance in addressing the Company's material sustainability risks and opportunities.

The Remuneration Policy comprised remuneration guiding principles, remuneration framework, remuneration elements as well as remuneration policies and procedures. The remuneration of Executive Chairman, Executives Directors and Key Senior Management is determined based on, amongst others, their scope of duties, responsibilities, skills and experience, corporate and individual performance and achievement of annual key performance indicators as well as prevailing market practice and economic situation. The remuneration of the INEDs and NINED is determined based on experience and level of responsibilities undertaken, extent of contributions, effort and time spent, number of committees served as well as prevailing market practice and economic situation.

 The Remuneration Policy is accessible through the Company's website : <https://www.topglove.com/governance-manual/>

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Commencing FY2023, the Group has put in place a group wide Balanced Scorecard. The Group's performance is determined in accordance with a Balanced Scorecard which includes key measurements (KPIs) such as Financial, Customers & Stakeholders, Systems & Projects and People & Culture supported by numerous strategic objectives. The Group's KPIs are cascaded to the business units and subsequently to individual goals where each employee's performance is tracked through a set of balanced goals.


Similarly, for the Executive Chairman and Managing Director, their performance will also be measured through a scorecard which covers Revenue and Cost, Meetings, Internal and External Relationships and Culture.

The Company rewards its employees and the Executive Directors with options under the 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. The details of the vesting of options under the ESOS and awards of shares under the ESGP are set out on pages 87 and 88 of this Integrated Annual Report under the Directors' Report of the Audited Financial Statements for FY2023.

The ESOS and ESGP Committees as below comprised majority INEDs will continue to oversee the administration as well as to ensure proper implementation of ESOS and ESGP according to the respective By-Laws:

- | | |
|--|-----------------------------|
| 1. Tan Sri Dr <u>Lim</u> Wee Chai (Chairman) | 5. Sharmila Sekarajasekaran |
| 2. Lim Cheong Guan | 6. Martin Giles Manen |
| 3. Lim Jin Feng | 7. Dr Ngo Get Ping |
| 4. Datuk Dr. Norma Mansor | |

During FY2023, the ESOS and ESGP Committees had considered and approved the ESOS and ESGP allocation factors to the eligible employees of the Group. The Non-Executive Directors are entitled to receive meeting allowances for the Board and Board Committees meetings they have attended but are not entitled to participate in the ESOS and ESGP, save for the NINED.

 The details of the Directors' remuneration comprising remuneration received/ receivable from the Company and subsidiaries respectively in FY2023 can be found in our Corporate Governance Report 2023 which can be accessed via <https://www.topglove.com/governance-manual/>

ETHICS AND INTEGRITY

The Board has adopted the Directors' Code of Conduct and Ethics for Directors to reflect the underlying values and commitment to lay standards of trust, integrity, responsibility, excellence, commitment, dedication, diligence, ethics and professionalism contributing towards the social and environmental growth of the surroundings in which Top Glove Group operates.

Embracing ethical culture in an organisation is fundamental in preservation of the Company's reputation and thereby increases the confidence of stakeholders. The Company has committed to uphold the practice of integrity in the organisation and has adequate policies and procedures in place driven by the Corporate Integrity Department.

 The Directors' Code of Conduct and Ethics is available on the Company's website at <https://www.topglove.com/governance-manual/>

BOARD EFFECTIVENESS EVALUATION

The Board recognises that a structured and regular evaluation of Board is an important pillar of good corporate governance. The Board conducts a rigorous Board Effectiveness Evaluation ("BEE") process each year to review and evaluate the effectiveness of the Board as a whole, the contribution of each individual Director and peers, independence of the INEDs and Board Committees' performance including various Head of Support Functions who support the respective Board Committees.

BEE PROCESS

For FY2023, BEE was conducted internally, facilitated by the Company Secretary via online questionnaires. Overall, it was the collective view of the Directors that the Board is effective in discharging its responsibility, operating within an open and transparent culture which allows constructive challenge on key issues. The outcome of the BEE will be referred to when the BNRC recommends for re-appointment or re-election of Directors and Board Committees' members.

The Board Committees' performance evaluation has shown that each Board Committees remained effective to support the Board. Individual director's performance and contribution was assessed through one-to-one interview with the Board Chair. The Board Chair was assessed by BNRC Chair. During the assessment session, both parties will discuss openly on their personal development, Boardroom culture and activities.

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BEE process for FY2023:

Design

Online questionnaires developed by Company Secretary and duly endorsed by the BNRC and Board taking into consideration latest best practices in MCCG and other relevant rules on BEE.

Assess

Questionnaires were circulated to all Directors through Google Survey Form. Responses were collected and BEE reports which summarised the findings were prepared by the Company Secretary. The BEE reports were then reviewed and deliberated by the BNRC.

Recommend

BNRC will share the highlights and recommendations on areas for improvement with the Board and respective Board Committees.

ASSESSMENT CRITERIA

The BEE assessment criteria encompassed the following key areas:

Scope of Assessment	Assessment Criteria
Questionnaire Assessment	
1. Board of Directors' Assessment	1. Board Mix and Composition 2. Quality of Information and Decision-Making 3. Boardroom Activities 4. Board Chairman's Role
2. Board Skills Matrix Assessment	1. Envisaged Board Skills Matrix 2. Current Board Skills Matrix
3. Directors' Self and Peer Assessment	1. Contribution and Performance 2. Calibre and Personality 3. Managing Director 4. Senior Independent Director
4. Fit and Proper Assessment	1. Probity 2. Personal Integrity 3. Financial Integrity and Reputation 4. Experience and Competence 5. Time and Commitment
5. Independent Directors' Self-Assessment	1. Background 2. Economic Relationship 3. Family Relationships 4. Tenure 5. Qualitative Assessment
6. Board Committees' Assessment	1. Composition and Governance 2. Meeting Administration and Conduct 3. Duties and Responsibilities in relation to Committees' Oversight Matters Additional assessment for Board Audit Committee: 1. Group Synergy and Reporting Line 2. Oversight of Financial Reporting Process, including Internal Controls and Audit Processes 3. Oversight on the Internal Audit Function 4. Oversight on the External Auditor Others: Assessment from Board Committees on Head of Support Function Assessment of Board Committees by the Board

Corporate Governance Overview Statement

The annual evaluation process in FY2023 confirmed the continued effective operations of the Board and Board Committees. The Board is satisfied with the overall performance of individual Directors, the effectiveness of the Board and Board Committees and the independence of Independent Directors.

The Board agreed that its composition is well structured and represented, with an appropriate mix of skills, expertise and experience, contributing to the overall effectiveness of the decision-making process for the Company and the Group. The compositions of the Board and its Committees deliver an appropriate balance of experience and technical knowledge and it will continue to be monitored.

Some of the key findings, recommended areas for improvement as well as action plans arising from the BEE for FY2023 had been tabled to the BNRC for consideration and subsequently, highlighted to the Board for approval.

 The BEE Framework is available on the Company's website at <https://www.topglove.com/governance-manual/>

LOOKING AHEAD

While the business environment is expected to remain challenging and competitive, the Company takes an optimistic and long-term view of industry prospects and will continue to enhance its business sustainability practices, maintain robust governance framework and embrace ethical corporate culture in sustaining its growth, charting its way to business recovery.

Some of the priorities for FY2024 in addition to its regular activities are as follows:

<p>1</p> <p>Refining corporate strategies and repositioning the business to help pursue long-term and sustainable growth</p>	<p>2</p> <p>Prioritising human capital management, being the key driver of organisation's long-term value</p>	<p>3</p> <p>Advancing sustainability integration throughout the business operations of the Group and its supply chain</p>
<p>4</p> <p>Succession planning for the Board and key members of Senior Management</p>	<p>5</p> <p>Continue developing the existing strong leadership team and further enhancing effective governance structure</p>	<p>6</p> <p>Maintaining a high performing Board through regular review and improvement on Board practices and processes</p>
<p>7</p> <p>Strengthening the oversight capabilities in risk, compliance and sustainability of the Board and Management</p>	<p>8</p> <p>Enhancing innovative and digital transformative actions and ensuring its execution impacts the success</p>	<p>9</p> <p>Addressing the changing stakeholders' expectations in navigating ongoing global crisis</p>

Corporate Governance Overview Statement

BOARD NOMINATION AND REMUNERATION COMMITTEE REPORT

The Board Nomination and Remuneration Committee ("BNRC") of Top Glove is pleased to present the BNRC Report for FY2023.

Composition

The BNRC comprises five (5) members as follows, all of whom are Non-Executive Directors:

Members	Date of Appointment as BNRC Member	Tenure on the BNRC as at 31 August 2023
1. Datuk Dr. Norma Mansor (Chairman)	12 May 2017	6 Years 3 Months
2. Sharmila Sekarajasekaran	18 March 2015	8 Years 5 Months
3. Azrina Arshad	1 December 2020	2 Year 8 Months
4. Dr Ngo Get Ping	27 April 2022	1 Year 4 Months
5. Dato' Lee Kim Meow	3 October 2022	10 months

Meetings and Attendance

In FY2023, the BNRC had met five (5) times. The Company Secretary and Managing Director were in attendance at every meeting while the Executive Director, Senior Management and other Board members would attend the BNRC meetings upon invitation, as and when required.

The Company Secretary will circulate the minutes of the BNRC meetings at Board Meetings for notation. The BNRC Chair will also brief the Board on the highlights and key issues deliberated during BNRC meetings.

 Please refer to pages 57 and 58 of this Integrated Annual Report for the attendance record of BNRC members.

Roles and Responsibilities

BNRC was entrusted by the Board to assist in nomination for the Board and Board Committees as well as assessing their performance and remuneration package.

Key responsibilities of the BNRC are as follows:

Nomination

1. Review Board and Board Committees' composition and competencies
2. Nominate candidates for Board and Board Committees
3. Assess the performance and effectiveness of the Board, Individual Board members and Board Committees
4. Review Board and Key Senior Management's succession plan
5. Oversee Directors' training and development needs and its effectiveness

Remuneration

1. Formulate formal and transparent remuneration process for Board and Key Senior Management
2. Periodic review on Board remuneration framework to ensure that the remuneration structured to link rewards to corporate and individual performance

 The TOR of the BNRC is available for reference on the Company's website at <https://www.topglove.com/governance-manual/>

Corporate Governance Overview Statement

Key Areas of Focus during FY2023:

Board and Board Committees' Composition and Succession Planning	<ol style="list-style-type: none"> 1. Reviewed the size and composition of the Board and Board Committees. 2. Reviewed the selection criteria for the potential Board candidates. 3. Reviewed the succession plan for the Board, Board Committees, Executive Chairman and Managing Director. 4. Conducted the engagement session to assess and review the suitability of the potential Board candidates from various sources.
Appointment or Re-Appointment of the Board and Senior Management	<ol style="list-style-type: none"> 1. Reviewed the background, skills and experience of potential candidates to be appointed as the Independent Non-Executive Directors of the Company. 2. Evaluated the contribution of Directors seeking for re-election and retention and recommend to the Board on their suitability for the Board to table to Shareholders for approval. 3. Reviewed the Directors' service tenure. 4. Reviewed the suitability of the potential candidates for Senior Management position.
Board and Senior Management Remuneration	<ol style="list-style-type: none"> 1. Reviewed fees and benefits payable to Directors, benchmarked against industry practices. 2. Reviewed remuneration package of Executive Directors, Non-Executive Directors, Key Senior Management and related employees. 3. Reviewed the Organisation Chart and conducted gap analysis to identify the development needs of the Senior Management. 4. Received the updates on the Employee Share Option Scheme and Employee Share Grant Plan allocations for FY2023.
Framework, Policy & Guidelines	<ol style="list-style-type: none"> 1. Reviewed and recommended the amendments made in the manual, policies and terms of reference adopted by the Board to be in line with both the Main Market Listing Requirements as well as the Malaysian Code on Corporate Governance. 2. Reviewed and recommended further amendments made in the Board Diversity Policy to be in line with Malaysian Code on Corporate Governance best practice whereby the diversity should not be exclusive to the Board but rather across the Company including senior management. 3. Reviewed and recommended the Business and Human Rights Framework.
Board Effectiveness Evaluation	<ol style="list-style-type: none"> 1. Reviewed the questionnaires for the Board Effectiveness Evaluation ("BEE"). 2. Reviewed outcome of the annual Board and Board Committees' performance assessments, independency of INEDs, contribution and performance of each individual director. 3. Reviewed the results of the BEE exercise for FY2023 and recommended the proposed actionable improvement plan to the Board. 4. Received updates for the actionable improvement plan for BEE FY2022. 5. Reviewed Board skills matrix and level of competency to meet the current and future needs of the organisation. 6. Reviewed the training needs of the Directors.
Governance	<ol style="list-style-type: none"> 1. Reviewed Balanced Scorecard for the Company as well as the Executive Chairman and Managing Director. 2. Reviewed outcome of annual Employee's Engagement and Job Satisfaction Survey. 3. Reviewed the Learning and Development programme for Directors and Senior Leadership Team. 4. Reviewed the succession planning for Senior Leadership Team: Faceless Organisational Chart. 5. Reviewed the enabler for Business and Human Rights: Culture of Human Rights Due Diligence. 6. Reviewed the findings from Culture Workshop. 7. Reviewed and recommended the renaming of Independent Directors Committee to Non-Executive Directors Committee to reflect the current Board structure and to adopt its Terms of Reference.

Looking Ahead

Some of the priorities for FY2024 in addition to its regular activities are as follows:

1 Explore various means to further enhance the organisation culture and organisation learning experience	2 Continue to reveal gaps in Board composition and identify the solutions to fill the gaps	3 Continue to develop and source for appropriate trainings for Directors to ensure they have the competencies to discharge their duties
4 Formulate talent pool of Directors by building a database of potential candidates collated from various independent sources	5 Review the compensation package of Directors and Senior Management aligned with prevalent market practices to ensure that it remains competitive to attract and retain talents	6 Remain focused on succession planning of the Directors and Key Senior Management

BNRC Effectiveness Review and Performance

During the year under review, the Board assessed the performance of the BNRC through the annual Board Effectiveness Evaluation. The Board is satisfied that the BNRC has effectively discharged its functions, duties and responsibilities in accordance with the TOR of the BNRC.

Corporate Governance Overview Statement

BOARD SUSTAINABILITY COMMITTEE REPORT

The Board Sustainability Committee (“BSC”) of Top Glove is pleased to present the BSC Report for FY2023.

The Board recognises the importance of adopting a sound and sustainable business model which incorporates environmental, social and governance (“ESG”) criteria. The BSC, formed in March 2019, advises and assists the Board in integrating a long-term and strategic approach into day-to-day business decisions and to steer ESG strategies and initiatives into a competitive advantage for the business to generate long-term value for our stakeholders. The Board is committed to addressing the United Nations Sustainable Development Goals (UNSDGs) by aligning ESG implementation with these global goals.

Sustainability is considered a shared value throughout the Group, encompassing how Top Glove manages its businesses and manufacturing operations. This includes prioritising employees’ workplace health and safety, respecting human rights, demonstrating commitment to the community and social responsibility, minimising the Company’s impact on the environment and complying with the highest standards of corporate governance guided by the Group’s corporate values R.I.V.E.R. (Respect, Integrity, Value, Empowerment and Relationship).

In FY2023, BSC has deliberated and concluded to retain the use of terminology “ESG” instead of “EESG” (Economic, Environmental, Social and Governance). The BSC agreed that ESG should not be seen in isolation and the Company needs to strike a balance with a calibration for the economy, a fundamental pillar of sustainability. It also viewed that the existing ESG framework is comprehensive and able to meet the Company’s ESG goals as it has covered the economic aspect in decision-making processes.

Composition

The governance of sustainability is integrated in our corporate governance structures throughout the Group, from Board-level committees to Management-level group functions and business units. In supporting the BSC, the Sustainability Steering Group and the Social Sustainability Committee have the strategic and operational responsibility to assess and manage sustainability issues.

The BSC comprises five (5) members as follows, all of whom are Non-Executive Directors:

Members	Date of Appointment as BSC Member	Tenure on the BSC as at 31 August 2023
1. Sharmila Sekarajasekaran (Chairman)	22 March 2019	4 Years 5 Months
2. Azrina Arshad	22 March 2019	4 Years 5 Months
3. Martin Giles Manen	25 January 2022	1 Year 7 Months
4. Dato’ Lee Kim Meow	14 December 2022	8 Months
5. Rowina Ghazali Seth	16 March 2023	5 Months

Meetings and Attendance

In FY2023, the BSC had met four (4) times. The Company Secretary, Managing Director as well as Sustainability team were in attendance at every meeting while the Executive Director, Senior Management and other Board members would attend the BSC meetings upon invitation, as and when required.

The Company Secretary will circulate the minutes of the BSC meetings at Board Meetings for notation. The BSC Chair will also brief the Board on the highlights and key issues deliberated during BSC meetings.

 Please refer to pages 57 and 58 of this Integrated Annual Report for the attendance record of BSC members.

Roles and Responsibilities

The BSC acts as an advocate of sustainability within the Company in driving the Group’s sustainability strategy and initiatives and overseeing the implementation of the Sustainability Charter and Sustainability Policy adopted by the Board, guided by the Terms of Reference (“TOR”) of the BSC.

Key responsibilities of the BSC are as follows:



 The Sustainability Charter and TOR of the BSC is available for reference on the Company’s website at <https://www.topglove.com/governance-manual/>

 The Sustainability Policy is available for reference on the Company’s website at <https://www.topglove.com/policies>

Corporate Governance Overview Statement

Key Areas of Focus during FY2023:

Framework, Policy & Guidelines	1. Reviewed Sustainability Department’s key deliverables. 2. Reviewed Business and Human Rights Framework (“BHR”) and Board’s role in BHR. 3. Reviewed and deliberated on enhanced Sustainability Reporting Framework according to Bursa Malaysia Main Market Listing Requirements.
Sustainability Plan	1. Reviewed and deliberated the Group’s sustainability initiatives which include ESG indices rating updates. 2. Reviewed and deliberated the Group’s sustainability blueprint and ESG targets. 3. Reviewed and deliberated the Enabler for Business and Human Rights.
Sustainability Governance	1. Reviewed ESG targets for carbon emission. 2. Reviewed materiality assessment for sustainability matrix. 3. Reviewed the Sustainability Statement/Report for inclusion in the Integrated Annual Report. 4. Assessed the KPIs linked to ESG metrics. 5. Reviewed ESG gap analysis between the Company’s sustainability practices and international best practices to further improve the Company’s ESG ranking. 6. Reviewed the industrial rating of the Group’s sustainability performance and discussed the areas for improvement. 7. Deliberated on Health, Safety and Environment programme and annual plan of the Group. 8. Reviewed the ESG training for the Management and Staff of the Group. 9. Reviewed collaboration opportunity with third party in enhancing the Group’s sustainability practices. 10. Reviewed the Terms of Reference of BSC.

Looking Ahead

The BSC will continue its role in supporting the Board and overseeing the processes, standards and strategies from its development, implementation, measures and the reporting of the Group’s ESG performance. In addition, BSC will strengthen its role and place stronger emphasis on overseeing the impact of the Group’s long-term strategy on emerging sustainability issues. This will ultimately support the Group’s objective to operate sustainably for current and future generations.

Some of the priorities for FY2024 are as follows:



BSC Effectiveness Review and Performance

During the year under review, the Board assessed the performance of the BSC through the annual Board Effectiveness Evaluation. The Board is satisfied that the BSC has effectively discharged its functions, duties and responsibilities in accordance with the TOR of the BSC.

NON-EXECUTIVE DIRECTORS COMMITTEE REPORT

The Non-Executive Directors Committee (“NEDC”) of Top Glove is pleased to present the NEDC Report for FY2023.

The Board had on 16 March 2023, renamed the Independent Directors Committee (“IDC”) to NEDC and adopted its revised Terms of Reference to reflect the current Board composition and meet the business needs of the Group. The NEDC adds value by providing a broader perspective of the Company’s issues and protecting the interests of stakeholders.

Corporate Governance Overview Statement

Composition

The NEDC members comprises all Non-Executive Directors as follows. It is led by the Senior Independent Non-Executive Director:

Members	Meeting attendance
1. Sharmila Sekarajasekaran (Chairperson)	3/3 (100%)
2. Datuk Dr. Norma Mansor	3/3 (100%)
3. Azrina Arshad	2/3 (66%)
4. Martin Giles Manen	3/3 (100%)
5. Dr Ngo Get Ping	3/3 (100%)
6. Dato' Lee Kim Meow	1/3 (33%)
7. Dr Chong Su-Lin	2/3 (66%)
8. Rowina Ghazali Seth	3/3 (100%)

Note: Both Datuk Noripah Kamso and Dato' Kong Sooi Lin had stepped down as NEDC members upon their retirements from the Board during the Company's 24th AGM held on 6 January 2023.

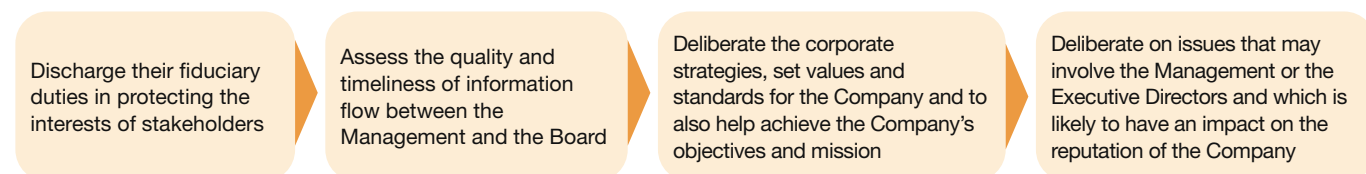
Meetings and Attendance

In FY2023, the NEDC met three (3) times without the presence of the Executive Directors and/or the Management to discuss among others, strategic, governance and operational issues relating to the Group. The Managing Director, Executive Director and certain Management personnel were invited to the NEDC meeting to respond to questions from the NEDC. The Company Secretary was in attendance at every NEDC meeting.

Total hours for
NEDC meeting for
FY2023:
6 hours

Roles and Responsibilities

Key responsibilities of the NEDC are as follows:



Key Areas of Focus during FY2023:

Concerns raised and matters deliberated at the NEDC meetings and recommendations of the NEDC were put forth to the Board for deliberation and endorsement. Those highlighted concerns and matters are as follow:



As part of Directors' fiduciary duty during this challenging period, the NEDC has committed their time to meet regularly to provide guidance and recommendations to the Management on certain material issues within their expertise to overcome whatsoever challenges encountered. The NEDC had also participated in an engagement session with factory operations staff and workers representatives on 6 October 2023.

With great concern on the outlook in business, high employees attrition rate, loss of market share due to stiff competition from new players post-pandemic, Non-Executive Directors ("NEDs") had in December 2022, mooted a separate session with the Management to focus on areas where transformation was urgently required. From this session, NEDs have proceeded with setting up a focus group called Board Business Action Council ("BBAC") with clearly defined Terms of Reference. BBAC consisted of Board Committees Chairs, NEDs and Key Senior Management. The existence of BBAC is for short term i.e. during the crisis period, to advise, guide and support the Management to steer from the stormy conditions. BBAC has in total conducted six (6) meetings where several key areas of improvement were adopted by the Management. BBAC was dissolved at the end of September 2023 upon achieving its objectives.

Corporate Governance Overview Statement

B

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

BOARD AUDIT COMMITTEE REPORT

The Board Audit Committee ("BAC") of Top Glove is pleased to present the BAC Report for FY2023.

Composition

The BAC comprises four (4) members as follows, all of whom are Independent Non-Executive Directors, which is in line with the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR") and the Malaysian Code on Corporate Governance:

Members	Date of Appointment as BAC Member	Tenure on the BAC as at 31 August 2023
1. Martin Giles Manen (Chairman)	25 January 2022	1 Year 7 Months
2. Sharmila Sekarajasekaran	15 October 2015	7 Years 10 Months
3. Dr Ngo Get Ping	6 January 2023	7 Months
4. Dr Chong Su-Lin	16 March 2023	5 Months

Note: Datuk Noripah Kamso had stepped down as a BAC Member upon her retirement from the Board during the Company's 24th AGM held on 6 January 2023.

Meetings and Attendance

In FY2023, the BAC had met eight (8) times, two (2) of which were meetings with the External Auditors, and one (1) of which was a meeting with the Head of Internal Audit, without the presence of the Executive Directors and Management.

The Company Secretary, Managing Director and Head of Internal Audit were in attendance at every meeting while the Senior Management, External Auditors and other Board members would attend the BAC meetings upon invitation, as and when required. During FY2023, the BAC had constantly engaged with the External Auditors and the Head of Internal Audit to keep abreast with the key audit issues and audit concerns affecting the Company.

The Company Secretary will circulate the minutes of the BAC meetings at Board Meetings for notation. The BAC Chair will also brief the Board on the highlights and key issues deliberated during BAC meetings.

Please refer to pages 57 and 58 of this Integrated Annual Report for the attendance record of BAC members.

Roles and Responsibilities

BAC has been entrusted by the Board to execute its governance and oversight responsibilities in ensuring transparent financial reporting within the Group, guided by the TOR of the BAC. BAC is assisted by an in-house Internal Audit Department to establish cost-effective controls, adhering to the Internal Audit Charter adopted by the BAC.

BAC deliberates the Summary of Internal Audit Reports and the External Auditors' Reports relating to financial, operational, compliance, information technology controls, governance, risk management and control matters every quarter during BAC meeting. The findings and status of preventive and corrective actions for issues discussed are updated to the BAC to ensure that the appropriate actions are taken and being monitored.

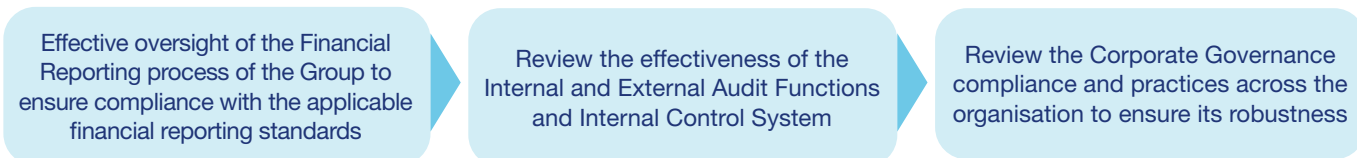
With the amendments to Bursa Securities Main LR in relation to enhanced conflict of interest ("COI") disclosures, the scope of BAC's review of COI situation has expanded to include those that arose or persist (in addition to those that may arise) and the measures taken to resolve, eliminate or mitigate the COI. In this regard, upon the recommendation from the BAC, the Board had in October 2023 adopted a comprehensive COI Policy to ensure the Directors and Key Senior Management act in the best interests of the Group and free from any personal, financial, non-financial or other conflicts that may compromise their judgement or impartiality.

The system of internal controls therefore provides only reasonable, not absolute, assurance against material misstatement or losses. The system of internal controls does, however, provide reasonable assurance that potential issues can be identified promptly and appropriate remedial action can be taken.

The Board has not identified, nor been advised of, any failures or weaknesses which it has determined to be significant. Therefore, a confirmation of necessary actions has not been considered appropriate.

Corporate Governance Overview Statement

Key responsibilities of the BAC are as follows:



The TOR of the BAC and Internal Audit Charter are available for reference on the Company's website at <https://www.topglove.com/governance-manual/>

Key Areas of Focus during FY2023:

Financial Reporting	<ol style="list-style-type: none"> Reviewed all four (4) Quarter's Financial Statements and the annual Audited Financial Statements of the Company and recommended the Financial Statements for the Board's approval. Discussions focused particularly on any changes in the accounting policies and its implementation; significant and unusual events arising from audits; the going concern assumption; compliance with accounting standards and other legal requirements; significant matters highlighted in the financial statements; and significant judgements made by Management. Reported its findings on the financial and Management's performance and other material matters to the Board. Deliberated the emerging financial reporting issues pursuant to the introduction of new accounting standards and additional statutory/regulatory disclosure requirements.
Internal Audit	<ol style="list-style-type: none"> Reviewed the Internal Audit Plan proposed by the Head of Internal Audit to ensure the adequacy of the scope, and that it has the necessary authority to carry out its works. Reviewed salient audit issues together with recommendations from the Internal Audit. BAC considered the highlighted issues, taking into account the Management's responses, upon which approved the internal auditors' proposal for rectification and implementation of the agreed remedial actions for improvement. Reviewed the adequacy and competency of the Internal Audit resources required to carry out Internal Audit engagement works. Undertook the performance assessment of the Internal Audit Function, reviewed the effectiveness of its audit processes and assessed the performance of the overall Internal Audit Department ("IAD"). Held separate meeting with the Head of Internal Audit to discuss the results of the assessment and other areas of concern, without the presence of the Executive Directors and Management.
External Audit	<ol style="list-style-type: none"> Discussed with the External Auditors, before the audit commences, the audit plan, nature and scope of the audit, emphasised areas of audit and ensured coordination where more than one (1) audit firms are involved as well as the External Auditors' evaluation of the system of internal controls and audit reports. Discussed and deliberated the External Auditors' reports and recommendations regarding opportunities for improvement of the significant risk areas, internal controls and financial matters areas based on observations made in the course of interim and final audits. Organised two (2) private meetings with the External Auditors without the presence of the Executive Directors and Management to discuss the areas of audit concern. Discussed the results of the annual assessment on the suitability and the independence of the External Auditors pursuant to the Company's External Auditors' Assessment Policy. Reviewed the performance of the External Auditors and recommended its re-appointment and remuneration to the Board. Reviewed and approved the provision of non-audit services rendered by the External Auditor.
Governance	<ol style="list-style-type: none"> Reviewed the related party transactions ("RPTs") presented by the Management, to ensure that these RPTs are undertaken in the Company's best interest and not detriment to the minority shareholders interest and are done under fair and reasonable grounds and normal commercial terms. Reviewed the Whistleblowing and Anti-Corruption Policies and Procedures and incidents/cases of the Group. Reviewed the Integrated Annual Report, covering the Value Creation Report, BAC Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement and Report to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement, followed by recommendation for the Board's approval. Reviewed the Group's cash flow budget, Business Units performance and capital expenditures. Verified and ensured the allocation of Employees Share Option Scheme ("ESOS") and Employees Share Grant Plan ("ESGP") complied with the criteria as stipulated in the By-Laws of ESOS and ESGP of the Company respectively. Reviewed and deliberated the corporate governance development and practices of the Company and areas for improvement. Reviewed Social Audit Compliance of the Group and the implementation of mitigation plans. Reviewed the initiatives by Group IT Department on cybersecurity and IT systems to strengthen control process. Assessed the Enablers for Business and Human Rights under BAC's purview.

Corporate Governance Overview Statement

Professional Development programmes

During FY2023, all the BAC members have attended various seminars, professional development programmes and conferences. The list of programmes attended is disclosed in the Corporate Governance Report 2023 on pages 15 to 20 which is available for reference on the Company's website at <https://www.topglove.com/governance-manual/>

Internal Audit Function

The Internal Audit Department ("IAD") consists of ten (10) members and is led by Mr. Lim Lung Fui @ Jack. Mr. Lim is a member of the Malaysian Institute of Accountants and has over twenty (20) years of experience in operational and financial audits. He also has experience in fraud prevention and detection, as well as risk management.

The principal objective of the IAD is to regularly review the systems of controls, procedures and operations to provide reasonable assurance that the internal control system is sound, adequate and satisfactory. The IAD provides the BAC with independent and objective reports on the state of internal controls of the operating units within the Group and the extent of compliance by such units with the Group's established policies, plans and procedures and the regulatory requirements of the relevant authorities. The BAC reviews and approves the Internal Audit plan of the Group submitted by the Head of Internal Audit.

During FY2023, the IAD conducted audits of various departments within the head office functions as well as the Group's factories and subsidiaries. Summaries of the Internal Audit reports were issued to the BAC on a quarterly basis and discussed in the BAC meetings. Additionally, key issues were presented to top management monthly to ensure that critical issues were addressed promptly, enabling respective business units to mitigate the associated risks immediately. Detailed audit reports were provided to the respective operations management, which included audit recommendations and management's responses to any identified weaknesses in the systems and controls. The IAD conducted follow-up audits to ensure that the agreed-upon audit recommendations were implemented appropriately.

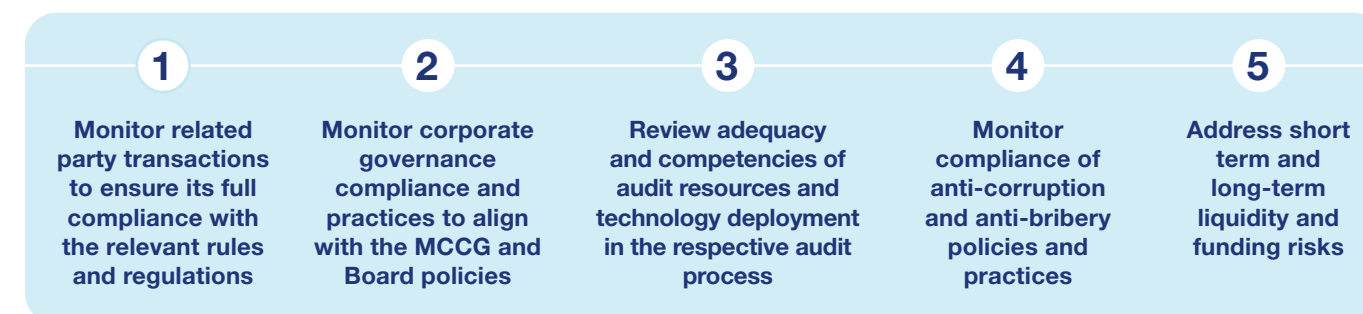
All members of the IAD actively participate in attending training programmes conducted by professional certification bodies or in-house, sharing knowledge via transfer of learning to keep abreast with the latest developments in the profession, relevant industry and regulations to effectively perform their roles. Each IAD member is required to achieve at least 45 training hours during FY2023.

The total cost incurred for the in-house Internal Audit function for FY2023 was RM1,140,565 (FY2022: RM1,018,593).

Looking Ahead

The BAC will continue its role in supporting the Board in its governance and oversight responsibilities in ensuring the effectiveness of the Group's financial reporting, Internal and External Audit Functions.

Some of the priorities for FY2024 in addition to its regular activities are as follows:



BAC Effectiveness Review and Performance

During the year under review, the Board assessed the performance of the BAC through the annual Board Effectiveness Evaluation. The Board is satisfied that the BAC has effectively discharge its functions, duties and responsibilities in accordance with the TOR of the BAC.

The BAC assessed the Committee as a whole as well as the Head of Internal Audit. The BNRC will then review the evaluation results. The BAC also evaluated the effectiveness of the Internal Audit function and the External Auditors' performance and their independence which will then be recommended to the Board. Based on the assessment, the Board is satisfied with the overall performance of the Internal Audit function and the External Auditors' performance and their independence.

Corporate Governance Overview Statement

BOARD RISK, INVESTMENT AND COMPLIANCE COMMITTEE REPORT

The Board Risk and Investment Committee ("BRIC") of Top Glove is pleased to present the BRIC Report for FY2023. The Board had in October 2023, resolved to rename the existing BRIC to Board Risk, Investment and Compliance Committee ("BRICC"), to reinforce the Company's commitment to compliance culture within the Group.

Acknowledging the dynamic global economy and rapid changing business environment, the Board recognises the significance of anticipating, adapting and evolving for business sustainability, particularly in risk management. The Board entrusts the responsibility of risk oversight to the BRICC and through the BRICC, the Board monitors and regularly reviews the effectiveness of the Group's risk management and internal control systems, including controls related to financials and investments, operational, reputational, cyber security, sustainability and regulatory compliance from strategic perspective.

Composition

The BRICC comprises four (4) members as follows, all of whom are Non-Executive Directors with majority being Independent Directors, which met the best practices under the Malaysian Code on Corporate Governance ("MCCG"):

Members	Date of Appointment as BRICC Member	Tenure on the BRICC as at 31 August 2023
1. Dr Ngo Get Ping (Chairman)	6 January 2023	7 Months
2. Datuk Dr. Norma Mansor	12 May 2017	6 Years 3 Months
3. Martin Giles Manen	25 January 2022	1 Year 7 Months
4. Dato' Lee Kim Meow	20 September 2022	11 Months

Note: Datuk Noripah Kamso had stepped down as a BRICC member upon her retirement from the Board during the Company's 24th AGM held on 6 January 2023.

Meetings and Attendance

In FY2023, the BRICC had met four (4) times. The Company Secretary, Managing Director and Head of Risk Management were in attendance at every meeting while the Executive Director, Head of Internal Audit, Senior Management and other Board members would attend the BRICC meetings upon invitation, as and when required.

The Company Secretary will circulate the minutes of the BRICC meetings at Board Meetings for notation. The BRICC Chair will also brief the Board on the highlights and key issues deliberated during BRICC meetings.

 Please refer to pages 57 and 58 of this Integrated Annual Report for the attendance record of BRICC members.

Roles and Responsibilities

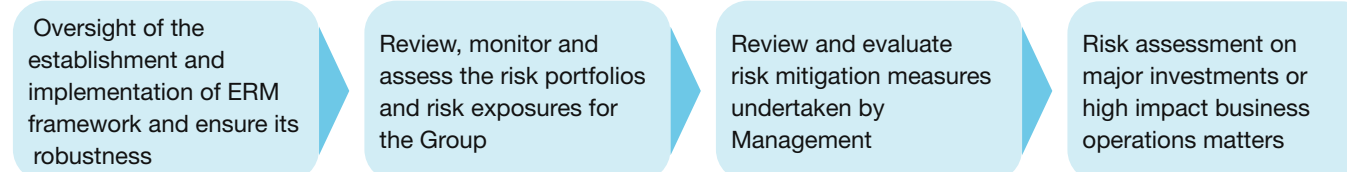
The Risk Management Department is responsible for developing the Group's Enterprise Risk Management ("ERM") Framework for all business processes which will be reviewed by the BRICC and approved by the Board. The ERM Framework ensures that a structured risk management process which incorporates key process relating to the identification, assessment, mitigation, monitoring and reporting of the Group's risks and controls is adopted across the Group.

The BRICC is assisted by an in-house Risk Management Department and the Risk Management Committee to effectively discharge its responsibilities in assessing risks, recommending measures to mitigate those identified risks and ensuring effective control and governance process are in place.

The Risk Management Department presents the key risk exposures, mitigation measures as well as Risk Management updates and report to the BRICC for an overview of the Group's significant risks and action plans to mitigate the risks at BRICC meetings held quarterly. The BRICC provides its views which are then communicated to the respective business risk owners across the Group's operating entities. The significant risks, proceedings, findings and recommendations are then escalated to the Board for its attention upon deliberation by the BRICC.

Corporate Governance Overview Statement

Key responsibilities of the BRICC are as follows:



 The TOR of the BRICC is available for reference on the Company's website at <https://www.topglove.com/governance-manual/>

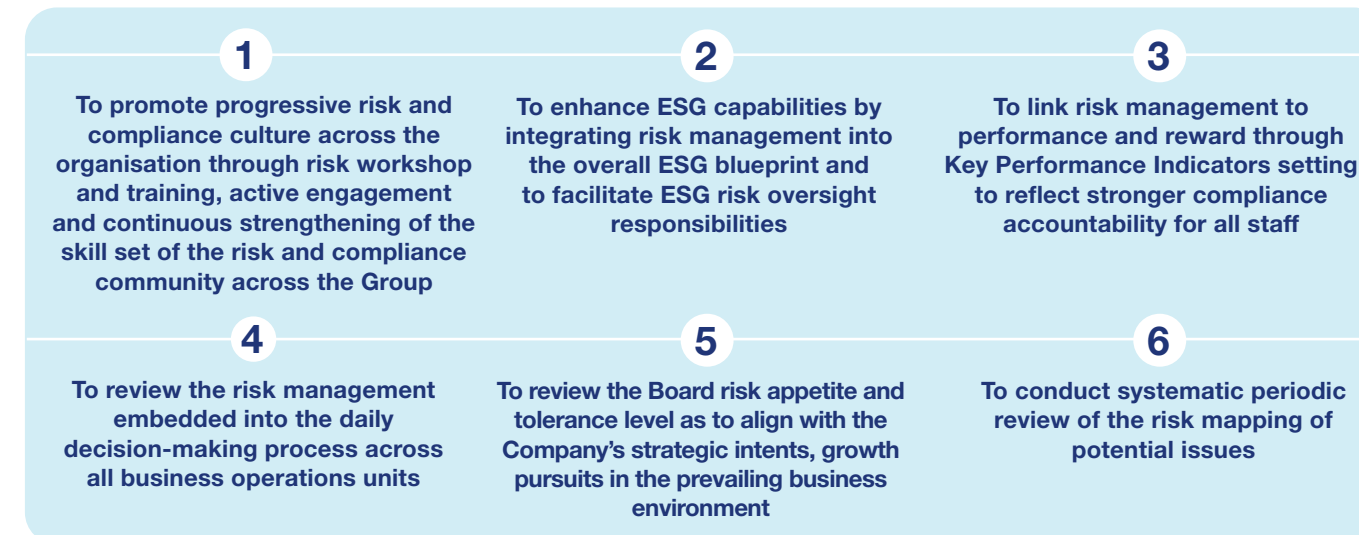
Key Areas of Focus during FY2023:

Framework, Policy & Guidelines	1. Reviewed the ERM Framework and BRICC Terms of Reference to strengthen ERM processes. 2. Reviewed the Risk Management Annual Plan to further enhance the Group's resilience and governance level. 3. Reviewed the Group Compliance Framework to elevate the Group's compliance culture. 4. Reviewed the Company's Investment Policy and Guidelines.
Risk Monitoring	1. Reviewed the Group's key risk exposures and mitigation measures. 2. Ongoing Risk Management and Compliance updates and report. 3. Ongoing external social audit findings and results. 4. Assessed the Enablers for Business and Human Rights under BRICC's purview. 5. Assessed emerging risk and mitigation plans for ESG risk and reputational risk. 6. Assessed risks associated with the Group's IT cybersecurity.
Appraise New Business Ventures & Corporate Proposal	Risk assessment of new business ventures and major projects undertaken.

Looking Ahead

The BRICC will continue its supporting role to the Board in its risk oversight responsibilities to ensure the robustness of the ERM framework.

Some of the priorities for FY2024 in addition to its regular activities are as follows:



BRICC Effectiveness Review and Performance

During the year under review, the Board assessed the performance of the BRICC through the annual Board Effectiveness Evaluation. The Board is satisfied that the BRICC has effectively discharged their functions, duties and responsibilities in accordance with the TOR of the BRICC.

Corporate Governance Overview Statement

C

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The Group considers stakeholder engagement as crucial and believes in effective communication and proactive engagement to establish mutual understanding between the Group and its stakeholders, aiming for long-term success.

While most stakeholder engagement is undertaken by our experienced and dedicated Management team, the Board is continually apprised of stakeholders matters. The Directors will also make themselves available whenever required to engage directly with stakeholders, as demonstrated by Directors' participation in employee or workers forums. The Board received regular updates from the Managing Director, Executive Directors and Senior Management on stakeholder insights and feedback, enabling informed decision-making. It also allows the Board to oversee and monitor effectively the work being done within the stakeholder environment and provides opportunity for the Directors to appraise and/ or to challenge, where appropriate, the work being done by the Management and any associated decisions. The Board acknowledges that the needs and priorities of each stakeholder group may change, so it therefore seeks to understand the needs and priorities of the relevant stakeholders during the decision-making process.

Being mindful of the interests of our stakeholders is embedded in Top Glove's DNA and is inherent in the Group's decision-making processes. Therefore, while decisions are frequently made at an operational level, the Directors are confident that due consideration and regard is always given to how the decisions may impact its stakeholders and the consequences of such decisions in the long-term.

HAVING REGULAR AND TRANSPARENT COMMUNICATION WITH STAKEHOLDERS

The Board is fully committed in maintaining a high standard in the dissemination of relevant and material information on the developments of the Group to the stakeholders.

The Company has always been providing as much information on a voluntary basis in addition to complying with Bursa Securities Main Market Listing Requirements through media releases. The Board is mindful of the legal and regulations governing the release of material and sensitive information to avoid misleading shareholders. Therefore, information that is price-sensitive or any undisclosed material information about the Group is not disclosed to any party until it is ready for simultaneous distribution.

In addition to the existing Corporate Disclosure Policy, the Board has adopted the Shareholders Communication Policy and Procedure to ensure that communications to the public regarding the Group are timely, factual, accurate and complete. The said Policies outline the central principles and practices in communicating with investors, shareholders, media and regulators.

 The Corporate Disclosure Policy and Shareholders Communication Policy and Procedure are accessible through the Company's website: <https://www.topglove.com/governance-manual/>

The Company has been using the following formal channels to communicate with shareholders and stakeholders:

- | | |
|--|---|
| 1. Integrated Annual Report:
https://www.topglove.com/annual-report/ | 4. General Meeting:
https://www.topglove.com/investor-relations-event |
| 2. Website:
https://www.topglove.com | 5. Newsroom and Press Release:
https://www.topglove.com/newsroom |
| 3. Corporate Announcement:
https://www.topglove.com/investor-relations-event | 6. Investor Relations:
https://www.topglove.com/ir-overview-en |

 The details of how the Company has been engaging with its stakeholders can be found on pages 75 to 77 of the Corporate Governance Report 2023, which is available on our website at <https://www.topglove.com/governance-manual/>

Corporate Governance Overview Statement

Financial Calendar

Release Dates of Financial Results and Holding Dates of Analyst Briefings:

14 December 2022

Unaudited consolidated results for the first quarter ended 30 November 2022

16 March 2023

Unaudited consolidated results for the second quarter and half year ended 28 February 2023

16 June 2023

Unaudited consolidated results for the third quarter ended 31 May 2023

6 October 2023

Unaudited consolidated results for the fourth quarter and financial year ended 31 August 2023

11 December 2023: AGM Notice date

Issuance of Integrated Annual Report 2023

Note: All the Quarterly Results Analyst Briefings FY2023 were held virtually on the same date as the Financial Results release date.



IR Contact and Feedback

Investor queries and feedback pertaining to financial performance or developments may be directed to the Head of Investor Relations team:

Name : Mr Lim Cheong Guan
(Managing Director)
Tel : +603 3362 3098
Fax : +603 3362 3860
Email : invest@topglove.com.my



Corporate Matters

Corporate Announcements and General Meetings related queries and feedback may be referred to the Head of Corporate Services Department:

Name : Ms Kassy Lim Keat See
(Company Secretary)
Tel : +603 3362 3098
Fax : +603 3362 3860
Email : topglovecosec@topglove.com.my



Media Enquiries

Media related enquiries and feedback may be referred to the Head of Corporate Communications Department:

Name : Ms Michelle Voon Wei-Ann
Tel : +603 3362 3098
Fax : +603 3362 3860
Email : media@topglove.com.my



▲ Engagement Session between Top Glove's Non-Executive Directors and Factory Operations Staff & Workers Representatives on 6 October 2023



Corporate Governance Overview Statement

OTHER COMPLIANCE INFORMATION:

1 Utilisation of Proceeds

There were no funds raised by the Company through any corporate proposal during FY2023.

2. Audit & Non-Audit Fees

Details of statutory audit, audit-related and non-audit fees paid/payable in the FY2023 to Ernst & Young PLT are as follows:

Type of Fees	Top Glove (RM)	Top Glove Group (RM)
a) Audit fees		
• Messrs. Ernst & Young PLT, Malaysia	86,000	726,680
b) Non-Audit fees		
• Messrs. Ernst & Young PLT, Malaysia	146,620	171,620
Total:	232,620	898,300

Note:

The Non-Audit fees incurred by the Company were mainly on reviewing internal control and IT system, impairments of assets and goodwill assessments as well as Singapore regulatory matters.

3. Recurrent Related Party Transactions

During FY2023, there were no recurrent related party transactions of a revenue or trading nature involving the Directors and/or substantial shareholders of the Company.

4. Material Contracts

During FY2023, there were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors, Chief Executive and/or major shareholders.

5. Material Contracts Relating to Loans

During FY2023, there were no material contracts relating to loans entered into by the Company and its subsidiaries involving the interests of Directors, Chief Executive and/or major shareholders.

6. Insider Trading

During FY2023, there was no insider trading reported.

7. Employees Share Option Scheme ("ESOS")

The details of the ESOS for FY2023 are as follows:

Total number of ESOS options granted	7,215,000
Percentage of ESOS options granted to the Directors and Senior Management (Management Ownership)	16% of the total ESOS option granted
Total number of ESOS options exercised	819,600
Total ESOS options outstanding as at 31 August 2023	138,527,700

Other than the above, there were no issuance of convertible securities during FY2023. The number of ESOS options granted and exercised by the Directors as well as their ESOS options outstanding are disclosed on page 87 of this Integrated Annual Report.

The details of the issued and paid-up share capital of the Company as at 31 August 2023 are as follows:

	No. of Shares	RM
As at 1 September 2022	8,207,105,234	1,842,189,165.23
Ordinary Shares issued pursuant to the ESOS	819,600.00	812,822.40
ESOS compensation reserve	0	269,538.00
ESOS cost	0	(543.00)
As at 31 August 2023	8,207,924,834	1,843,270,982.63