

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CREATING VALUE THROUGH SUSTAINABLE GOVERNANCE

The Board plays a vital role in ensuring the stability of the business, particularly during times of uncertainty, by delivering effective leadership which supports the creation and delivery of strong and sustainable financial and operational performance for the Group and long-term value for our stakeholders. However, at Top Glove, we recognise that it is our people who are our greatest asset; they are key to our continued success and to the delivery of our established, consistent, proven and successful strategy. The resilience and commitment of our people and their unwavering dedication to keeping our operations running safely and to providing the highest quality of service to our customers, despite the challenges faced this year are testament to the quality of our People.

The importance of good governance is never greater than in times of macroeconomic uncertainty. The Group's success depends on our continual commitment to high corporate governance standards, as well as a healthy and responsible culture, both in the Boardroom and across the Group. We do not view corporate governance as an exercise in compliance but as an evolving and core discipline which generates value for our stakeholders and underpins our success.

In the current uncertain economic environment, effective oversight of strategy and risk is particularly important to promote the long-term success of the Group. In performing this role, the Board seeks to be responsive to both the evolving

regulatory environment and changing expectations about the role of business in society. In particular, the Board seeks to ensure that the Group's culture is aligned with its purpose and values and that the Company has the necessary financial and human resources to deliver its strategy successfully. As a Board, we are committed to ensuring that the Company's purpose, values and high standards are set from the level of chairman and all Non-Executive Directors, with the support of the Executive Directors and the executive management team, embedded throughout the Group. We are dedicated to leading by example to demonstrate Top Glove's strong corporate values and culture which promote the long term sustainable success of the Company for the benefit of all of our stakeholders.

This Statement makes reference to the three (3) Broad Principles of the MCCG:

PRINCIPLE A :

Board Leadership and Effectiveness

PRINCIPLE B :

Effective Audit and Risk Management

PRINCIPLE C :

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

» *Informs where to find more information online.*



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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Significant Governance Achievements of the Company in FY2021:

1 Engaged an independent professional to conduct Board Evaluation	7 Quarterly engagement between Independent Directors and workers' representatives focusing on the welfare and well-being of workers
2 Adoption of Independent Directors' Tenure Policy: Limiting the tenure of Independent Directors to 9 years without any further extension	8 More structured share buy back policy and procedure to govern the Company's share buy back activities
3 Revised Board policies in line with MCCG 2021 best practices	9 Higher dividend distribution in FY2021 : 20% special dividend in addition to its existing dividend policy of a 50% dividend payout ratio, for 2 nd Quarter to 4 th Quarter of FY2021
4 Linking of Executive Compensation to ESG Metrics	10 Resolved all 11 International Labour Organization (ILO) indicators of forced labour
5 Appointment of Compliance Officer to strengthen the Corporate Compliance groupwide	11 Developed Sustainability Roadmap and Strategies Framework
6 Increased frequency of meetings amongst Independent Directors to discuss among others strategic, governance and operational issues and active engagement between Independent Directors and the Management	12 Developed Enterprise Risk Management Framework in accordance with ISO 31000:2018

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

For the financial year ended 31 August 2021 ("FY2021"), Top Glove Corporation Bhd ("Top Glove" or "the Company") has applied all the Practices and adopted all the steps-up encapsulated in the 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 details of how the Company has applied, complied with and adopted the MCCG Principles and Practices are outlined in our Corporate Governance Report 2021, which is available on our website at <https://www.topglove.com/governance-manual/>

1 WE ARE GUIDED BY THE FOLLOWING FRAMEWORKS

Malaysian Companies Act 2016 ("CA 2016")	Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities Main LR")	Malaysian Code on Corporate Governance ("MCCG")	Corporate Governance Guide (3 rd Edition) issued by Bursa Malaysia Berhad
--	---	---	--

2 OUR GOVERNANCE PRACTICES EXCEED WHAT IS GENERALLY REQUIRED

Malaysia-ASEAN Corporate Governance Report 2020

No. 29

Rank **No. 29** in the list of top 100 companies for Corporate Governance Disclosure 2020

3 WE ARE COMPONENT STOCKS OF

MSCI Global Standard Index	FTSE Bursa Malaysia ("FBM") KLCI Index	FBM Top 100 Index
FBM EMAS Index	FBM EMAS Shariah Index	FBM Hijrah Shariah Index



CORPORATE GOVERNANCE OVERVIEW STATEMENT

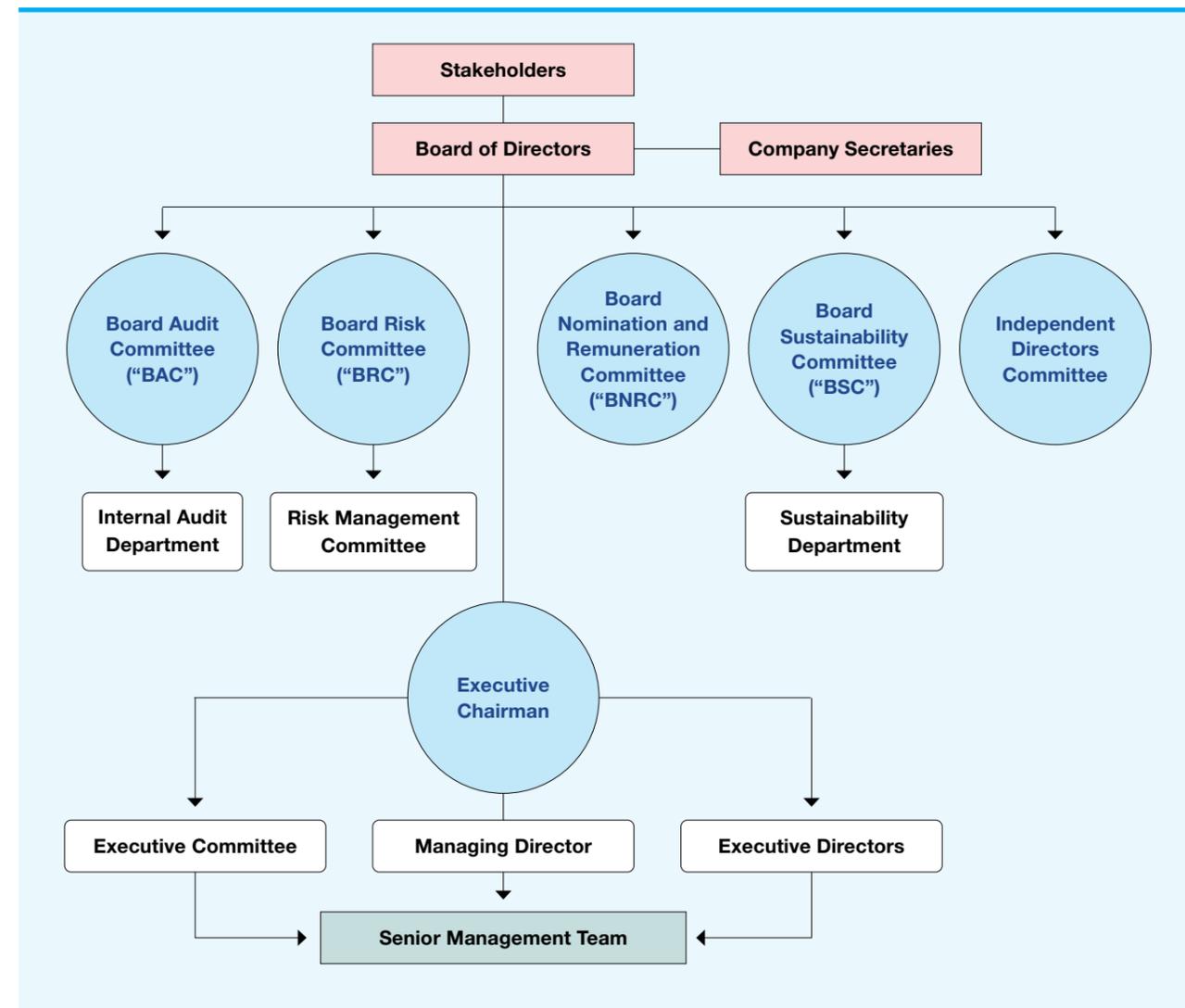
PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

OUR BALANCED AND EXPERIENCED BOARD DELIVERS AND DRIVES OUR STRATEGY

<p>Board of Directors</p> <p>Led by the Chairman, the Board takes primary responsibility in defining the Group's strategic direction, risk appetite and control environment aiming to promote long term value of the stakeholders.</p> <p>Key responsibilities of the Board are as follows:</p> <ol style="list-style-type: none"> 1. Setting the Vision, Mission and Strategic direction for the Company and monitor delivery of strategy by the Executive Directors 2. Shaping the culture and values of the organisation in ensuring that the Company adheres to high standard of ethics 3. Formalise governance model and ensure appropriate policies and procedures are in place 4. Maintain effective communication with the Stakeholders 5. Deliberated on formal schedule of matters specifically reserved for Board decision <p>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 members and Management insight into the functions of the Board.</p> <p><small>The Board Charter is accessible through the Company's website: https://www.topglove.com/governance-manual/</small></p>	<p>Board Committees</p> <p>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").</p> <p>Each Board Committee will review, report and make recommendations to the Board during the Board meeting on matters relevant to their roles and responsibilities. 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 decision and deliberation made by each Board Committee.</p> <p>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.</p>
<p>EXCO</p> <p>Executive Committee ("EXCO") assists the Board Chairman in ensuring that the Board's decision, strategies set, business plans, budgets, policies, procedures, daily business and operational issues approved by the Board are implemented and/or monitored efficiently and effectively by the Group's Management.</p> <p>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.</p>	<p>Company Secretaries</p> <p>Company Secretaries play an advisory role to the Board and support the Board in ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with.</p> <p>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 and disclosure requirements of the Directors.</p> <p>The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and the Group's Management.</p>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE FRAMEWORK



ROLES

<p>Executive Chairman ("EC")</p> <p>The EC leads the Board and manage the interface between the Board and Management. Responsible for the orderly conduct and effective function of the Board.</p>	<p>Managing Director ("MD")</p> <p>The MD spearheads the business and day-to-day management of the Group in accordance with the strategic plans and within the budgets approved by the Board.</p>	<p>Executive Directors ("ED")</p> <p>The EDs are responsible for the day-to-day operations of the Group whereby operational issues and problems are discussed, major transactions and matters relating to the Group are reviewed and operational strategies are formulated.</p>	<p>Senior Independent Non-Executive Director ("SINED")</p> <p>The SINED serves as a designated contact between Non-Executive Directors and EC as well as shareholders.</p>	<p>Independent Non-Executive Directors ("INED")</p> <p>The INEDs are to deliberate and discuss policies and strategies formulated and proposed by 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 and the community.</p>	<p>Non-Independent Non-Executive Director ("NINED")</p> <p>The NINED functions to provide in-depth knowledge and insight from the Group's perspective.</p> <p>The NINED is to ensure 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.</p>
---	--	--	---	---	--

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD MEETINGS

The Board meets at least seven (7) 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 urgent Board's decisions or approvals will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made and the same applies to the Board Committees.

The dates of the meetings of the Board, Board Committees and AGM for each financial year were fixed in advance for the whole year to ensure all Directors/Board Committees members' dates are booked and also to facilitate Management's planning for the whole financial year. The Board decisions made at the Board meetings shall be by a majority vote as prescribed by the Constitution of the Company.

In FY2021, the Board met ten (10) times. The Company Secretary is in attendance in every meeting while the Senior Management, Internal and External Auditors and the Corporate

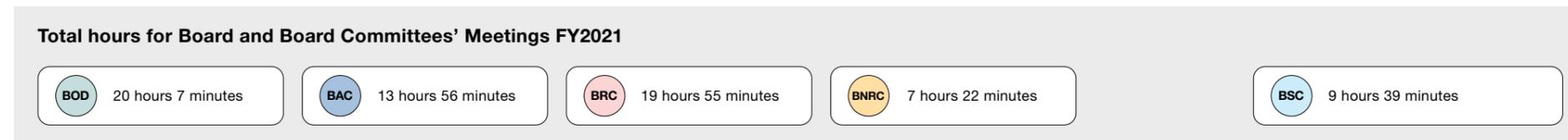
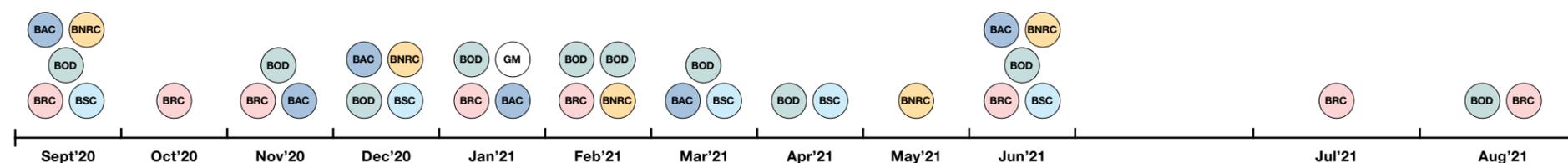
Advisors will attend the Board meetings upon invitation, as and when necessary.

The Board has adopted a 75% Board Meeting Attendance requirement, in line with good governance practices, having viewed that technology has made it more convenient for meeting participation. In FY2021, all the Directors complied with the 75% Board meeting attendance requirement.

DIRECTORS' ATTENDANCE AT BOARD, BOARD COMMITTEES AND GENERAL MEETINGS HELD DURING FY2021

	Name of Directors	Designation	Board Meeting ("BOD")	General Meeting ("GM")	Board Committees			
					BAC	BRC	BNRC	BSC
1.	Tan Sri Dr Lim Wee Chai	EC	10/10	1/1	-	-	-	-
2.	Dato' Lee Kim Meow	MD	10/10	1/1	-	2/3	-	-
3.	Dato' Lim Han Boon	SINED	10/10	1/1	9/9	8/8	5/5	1/1
4.	Tan Sri Rainer Althoff	INED	10/10	1/1	-	8/8	-	-
5.	Lim Hooi Sin	ED	10/10	1/1	-	-	-	-
6.	Lim Cheong Guan	ED	10/10	1/1	-	3/3	-	-
7.	Puan Sri Tong Siew Bee	NINED	10/10	1/1	-	-	-	4/5
8.	Datuk Noripah Kamso	INED	10/10	1/1	7/9	8/8	1/1	5/5
9.	Sharmila Sekarajasekaran	INED	10/10	1/1	9/9	-	5/5	5/5
10.	Datuk Dr. Norma Mansor	INED	10/10	1/1	-	8/8	5/5	-
11.	Azrina Arshad	INED	10/10	1/1	9/9	-	4/4	5/5
12.	Lim Andy	INED	10/10	1/1	-	-	-	-
Total no. of Meetings:			10	1	9	8	5	5

FY2021 Board and Board Committees' Meeting Calendar



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board's Key Areas of Focus during FY2021:

Strategy	1. Strategy brainstorming 2. Strategic plans progress updates 3. Annual budget setting and review 4. Business expansion plans and developments 5. Business units strategic plan and projects progress updates 6. Revisit the Group's Vision, Mission and Values 7. SWOT analysis
Financial Performance	8. Quarterly, half-yearly and yearly financial performance reports 9. Share performances on Bursa Securities and Singapore Exchange 10. Capital structure review and balance sheet management 11. Dividend policy and proposal 12. Share Buy Back strategy
Risk and Internal Controls	13. Audit Findings 14. Enterprise Risk Management Framework and report 15. Material risks and mitigation plans 16. Business Continuity Management Policy and Framework 17. Jurisdictional Regulatory Framework
Corporate Governance and Compliance	18. Board and Board Committees size and composition 19. Board appointment, renewal and re-election 20. Board remuneration package 21. Board and Board Committees performance assessment 22. Corporate Governance review and updates 23. Reappointment of Auditors 24. Board Policies adoption and revision 25. Board and Senior Management Team succession planning 26. Group Organisation Chart 27. Approval of Integrated Annual Report and Circular 28. Transfer pricing policy and procedure 29. Global regulatory compliance 30. Employees satisfaction survey 31. Independent Director Tenure Policy 32. Alignment of roles between INEDs and EDs
Sustainability	33. Sustainability Initiatives progress update 34. Labour practices and social compliance 35. Materiality Assessment for Sustainability 36. Sustainability Roadmap and Strategies Framework 37. Integration of Sustainability into Business Strategy 38. Remuneration payment linked to ESG metrics
Corporate Proposals	39. Proposed dual primary listing in the Stock Exchange of Hong Kong Limited 40. Proposed new business ventures
Others	41. Withhold Release Order imposed by the U.S. Customs and Border Protection 42. Talent Recruitment 43. Group's compliance with COVID Movement Control/Restriction Order.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD STRATEGY AWAY DAY

The Board sets aside time each year outside the annual Board calendar to hold a Strategy Day giving the Directors the opportunity, together with the senior management to focus solely on strategic matters. On April 2021, the Board held a session to set and monitor progress against the Group's strategy and to discuss the strategic challenges and opportunities the Group faces in the future, in view of progressing on its journey towards becoming a sustainable Fortune Global 500 Company by 2030. Action plans resulting from the Strategy Day are implemented and reviewed by the EXCO every two months and presented to the Board on a quarterly basis.

INDEPENDENCE

The Board recognizes the significant contributions by the INEDs to the Company in bringing independent and objective judgment to the Board in decision making.

An annual assessment of independence is 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 FY2021, 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.

During the year under review, the Board has updated the Independent Director Tenure Policy to limit the tenure of its independent directors to nine (9) years without further extension. In view thereof, our SINED, Dato' Lim Han Boon, who has served on the Board for more than nine (9) years and obtained shareholders' approval to be retained as an INED of the Company until the conclusion of the coming Twenty Third Annual General Meeting ("23rd AGM") to be held in January 2022 had decided to retire during the 23rd AGM.

On the other hand, Tan Sri Rainer Althoff's nine (9) years tenure with the Company will expire on 14 March 2022. For good governance practice, Tan Sri Rainer has expressed his intention to retire during the 23rd AGM despite him not yet serve the Board for full nine (9) years term.

To further strengthen the Board's independence, Puan Sri Tong Siew Bee, the NINED of the Company who has served on the Board for more than 21 years and who retires by

rotation in accordance with Article 94 of the Company's Constitution, has notified the Board that she does not wish to seek for re-election as Director and shall retire as Director at the conclusion of the 23rd AGM.

SUPPLY AND ACCESS TO INFORMATION

The Board and Board Committees receive pertinent information from the Management on a timely basis to fulfil their roles. Further, all the Board Committees and Executive Committee meeting minutes were tabled in Board meetings for notations.

All Directors are provided with an agenda of the Board meeting and Board papers which contain among others, the Company's financial performance, business outlook and various Board Committees' Reports respectively prior to the Board meeting. The Board papers are issued in advance and in a timely manner to facilitate informed decision-making. The Managing Director and Executive Directors 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.

Any proposals and recommendations by Management will be discussed at the EXCO level and then the EXCO's recommendation 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 an approval from the Board. 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.

Notices 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 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 announcement released to Bursa Securities and the impending restrictions on dealing with the securities of the Company prior to the announcement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD GOVERNANCE: EMBEDDING SUSTAINABILITY INTO OUR DNA

In recent years we have seen an increased focus from stakeholders and regulators on ESG and sustainability matters. At Top Glove, sustainability is an important part of our culture and the way we do business. Our sustainability strategy is aligned to the Company's strategic framework and is fully supported by the Board and the Group as a whole. Through our sustainability strategy, we aim to deliver long term sustainability for our stakeholders, while impacting positively on society and protecting the environment. The Board believes that a socially and environmentally sustainable and responsible business and an inclusive and collaborative culture are critical to creating value and to making the Group more commercially successful in the long term, for the benefit of all our stakeholders. Top Glove's reputation for high standards of responsible and sustainable business conduct is something that we are extremely proud of and we will continue to pursue our sustainability ambitions to ensure that this reputation is upheld. Further information about the Company's approach to sustainability can be found on pages 88 to 139 and 154 to 155.

COVID Crisis

As news of the Company's workers having tested positive for COVID emerged in November 2020, the Board requested for an emergency meeting to provide strategic direction and guidance on managing the health and welfare of our migrant workers. The Board supported the conduct and progress of the Company's on site vaccination programme, under Program Imunisasi Industri COVID Kerjasama Awam-Swata (PIKAS) that commenced on 19 July 2021 for its Meru Klang factories.

Engagement with the Work Force

We have an experienced, diverse and dedicated workforce which we recognise as a key asset of our business. At Top Glove, we understand that the employee voice can increase collective learning and that, when employees feel safe to voice concerns and contribute honestly to decision making processes, the natural diversity within the Group can be better leveraged, which optimises decision making.

Throughout the year, we continued to invest time and resources in communicating with our people and ensuring that the employee voice is heard by the Board. During the year, members of the Board visited the male and female hostels in Meru, Klang and Banting as well as the new Westlite-PKNS hostel in Petaling Jaya to personally assess their living conditions. In doing so, we are able to hear their views and gain valuable insights into the matters affecting our people the most.

Top Glove is a global business with operations in multiple locations and our employees fulfil a broad range of roles with many different perspectives. It is therefore essential that our engagement methods suit the nature of our business and our workforce. We strongly believe that this holistic approach to engagement is the most effective method and allows the Board to understand, monitor and assess the culture of the business and its alignment with the Company's purpose, values and strategy. Further information concerning how the Board monitors culture can be found in this report and details of the actions taken in respect of workforce engagement can be found on pages 134 and 135.

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 to review the existing composition of the Board, identifying the gaps and subsequently review and recommend to the Board a suitable candidate with the relevant skill sets, expertise and experience. 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. 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 appointment, the BNRC considers:

- | | | | |
|---|--|--|---|
| 1 | 2 | 3 | 4 |
| Age, gender, ethnicity, required mix of skills and experience, knowledge, expertise, professionalism, integrity, capabilities and such other factors which would contribute to the Board's collective skills; | Expected time commitments if the candidate has multiple board representations; | Composition requirements for the Board and Board Committees; and | Independence, for the appointment of an INED. |

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Top Glove's Boardroom appointment process is as follows:

- 1 **BNRC conducts annual assessment, reviews and identifies gaps/ vacancy**
- 2 **BNRC develops profile and competency and searches for candidates**
- 3 **BNRC identifies and shortlists the "Potential Candidates"**
- 4 **BNRC conducts due diligence on the "Potential Candidates"**
- 5 **BNRC interviews the shortlisted candidates**
- 6 **BNRC nominates and makes recommendation to the Board**
- 7 **Board approves the appointment of Director**

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, so as to ensure continuous support in operation and service when the above 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 ensured 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 page 314 of the Notice of AGM.*

DIRECTORS' PROFESSIONAL DEVELOPMENT

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

The Board's Induction/ Orientation is a programme co-ordinated by the Company Secretary together with the Executive Director and head of business units with the objectives of providing newly appointed Directors the necessary information and overview to assist them in understanding the operations, corporate strategies, current issues and challenges, structure and the management of the Company, as well as on-site briefings or site visits for better understanding of the operations aspect of the Company.

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 training need analysis. The Directors may raise any training needs with the Chairman who helps to ensure that the training programme 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 area of expertise, such as remuneration or audit.

Ongoing training in both business-related and regulatory matters is provided to the Board during the year. This helps to ensure that the Board keeps up to date with evolving regulatory and legal matters. From time to time, meetings with specialists in the business are arranged for Directors who may wish to gain a deeper insight into a particular topic.

Summary of Training attended by all Board members in FY2021

Training Categories	Number of Trainings Attended
Corporate Governance	8
Financial and Capital Market	10
Human Resource	3
IT	13
Leadership & Business Management	22
Legal	2
Risk Management	6
Sustainability	16
Total	80

 *During FY2021, all the Board members attended various training programmes; the list of training attended by each Director can be found on page 13 to 17 of the Corporate Governance Report.*

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD AND SENIOR MANAGEMENT REMUNERATION

The Remuneration Policy and Procedures for Directors and Senior Management ("the Remuneration Policy") was updated by the Board on September 2021 to reflect the current component of the remuneration packages and current structure of the Board and Senior Management. During a Board meeting held in June 2021, the Board had deliberated on the Group's remuneration pay link to Environmental, Social and Governance metrics. The Board decided that 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 performances 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/>*

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 page 181 of this Integrated Annual Report under the Directors' Report of the Audited Financial Statements for FY2021.

The ESOS and ESGP committees as below comprised majority INEDs continued 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 Lim Wee Chai (Chairman)
- 2) Lim Cheong Guan
- 3) Lim Jin Feng
- 4) Dato' Lim Han Boon
- 5) Datuk Noripah Kamsor
- 6) Datuk Dr. Norma Mansor
- 7) Sharmila Sekarajasekaran

During FY2021, the ESOS and ESGP Committees had considered and approved the ESOS and ESGP allocation factors to the eligible employees of the Group.

Whereas, 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 FY2021 can be found in our CG Report 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 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 recognised that a structured and regular evaluation of Board is an important pillar of good corporate governance. The evaluation of the Board members and the Board Committees are conducted on an annual basis. KPMG Management & Risk Consulting Sdn Bhd ("KPMG") has been appointed by the Company to facilitate the Board Effectiveness Evaluation ("BEE") for FY2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BEE PROCESS

The BEE for FY2021 was conducted through the deployment of KPMG Digital BEE tool and interview sessions to review the effectiveness of the Board as a whole, the contribution of each individual Director and peers, independence of the INEDs and Board Committees' performance.

The BEE methodology conducted by KPMG in FY2021 are as follows:

Design

1. Understanding Top Glove and review relevant documents and governing policies
2. Design customised questionnaires and interview questions

Assess

1. Circulate questionnaires for Board, Board Committees and Individual Directors' assessment
2. Conduct one-to-one interviews with all Board members and Key Senior Management
3. Consolidate and assess the responses from questionnaires and insights gleaned from the interview sessions

Recommend

1. Prepare final BEE report detailing qualitative and quantitative analyses of assessment and improvement considerations
2. Prepare individual Directors' reports outlining the strength and improvement considerations
3. Conduct a separate briefing session with the Board Chairman and BNRC Chairman to deep dive into the findings and identified action plans
4. Present findings and recommendation to the BNRC and the Board

ASSESSMENT CRITERIA

The BEE assessment criteria covered the following key areas:

Scope of Assessment	Assessment Criteria		
Questionnaire assessment			
1. Board Performance Assessment	1. Board Mix & Composition	2. Quality of Information and Decision-Making	3. Boardroom Activities
2. Board Skills Matrix	1. Envisaged Board Skills Matrix	2. Current Board Skills Matrix	4. Board Chairman's Role
3. Board Self and Peer Performance Assessment	1. Contribution and Performance	2. Calibre and Personality	3. Managing Director
4. Directors' Independency Assessment	1. Director's Background	2. Economic relationship	4. Senior Independent Director
5. Board Committees Assessment	1. Composition and governance	2. Meeting administration and conduct	3. Tenure
			4. Qualitative assessment
	1. Committees' oversight duties and responsibilities		
	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
One-to-one interviews session			
With Board members	1. Views on Chairman and the Board	2. Strategy and Risk Management and Group Governance	3. Boardroom administration and information flow
With Board Chairman	1. As Chairman of the Board	2. Strategy and Risk Management and Group Governance	3. Boardroom administration and information flow
With Key Senior Management	1. Views on the Board	2. Boardroom administration and information flow	3. Board dynamics and composition
			4. Board dynamics and composition
			5. General, critical-mission issues and news
			5. General, critical-mission issues and news
			3. General questions, critical issues

STRENGTHS IDENTIFIED AND IMPROVEMENT REQUIRED

Based on the assessment in FY2021, the overall results were generally positive. Board is satisfied with the overall performance of individual Director, effectiveness of the Board and Board Committees and independency 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.

Some of the key strengths as well as recommended areas for improvement arising from the BEE for FY2021 are as follows:

Key strengths

Boardroom commitment and proactivity, diversity, financial stewardship as well as efficacy of the BAC were highlighted as areas of strength. The results of the FY2021 BEE indicated that Top Glove's Directors demonstrated an active leadership style and displayed commendable proactivity to learn, teach and share amongst each other. The Executive Chairman is highly regarded for his hands-on approach and being highly invested in the affairs of the Company. This is further buttressed with the strong recognition of diversity at the Board level which has brought about the sharing of varied views, experiences and cognitive variety during boardroom deliberations. In addition, the Board's vigilance over the Company's financial affairs was acclaimed given the strong drive for efficiency and optimisation. The findings of the BEE results also revealed that the BAC was perched as the joint best performing committee and this should be considered against the backdrop that the BAC is reposed with the most wide-ranging responsibilities. It was highlighted that the BAC is able to maintain a hawk-eye watch on its core mandates including exercising oversight on internal controls and upholding the sanctity of the external audit process.

Areas for improvement

Based on the premise of continuous improvement, certain markers for enhancement were noted. To clarify further, the co-creation process in strategy between the Board and EXCO/Senior Management can be reinforced. Communication between the Board and Management can also be made more dynamic in relation to high-impact matters. In addition, the outworking of the BNRC can be further strengthened with regards to organisational development and training needs for Directors. As an added heft, the Board configuration can be buttressed with consideration on skill set such as digital, sustainability and industrial expertise. Boardroom administration and information flow can be fortified through greater involvement of Board members in agenda setting, enhanced coverage on Environmental, Social and Governance and digital matters in Board papers, explicit connectivity between proposals presented in Board papers and strategic plan as well as reinforced evaluation of the Company Secretary by the Board.

The action plans arising from the findings above had been developed and tabled to the BNRC for recommendation and subsequently elevated to the Board for approval. The Company Secretary is accountable for following through on the recommendations.

The BEE Framework had also been revised in FY2021 to reflect the Board's commitment to engage independent experts once every three years to facilitate objective and candid board evaluations.

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

LOOKING AHEAD

Global market condition is expected to remain challenging in the coming year, we will continue to enhance our sustainability practices, maintain robust governance framework and embrace ethical corporate culture in sustaining our growth in the face of business uncertainty.

Some of the priorities for FY2022 in addition to its regular activities are as follows:

1. **Oversee strategy implementation in maximizing long term value**
2. **Continue to structure a high-performing Board by reviewing and improving Board performance as well as strengthening Board practices and processes in meeting ongoing and emerging challenges**
3. **Prioritise in integrating Sustainability in the business operations**
4. **Enhance oversight function on the labour issue and monitor implementation by the Management to be re-included in FTSE4Good Bursa Malaysia (F4GBM) Index**
5. **Accelerating digital transformation in promoting operational resiliency**
6. **Enhance the human capital management, being the key driver of organisation's long term value**
7. **Addressing the changing stakeholders' expectations in navigating ongoing global crisis**



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 the FY2021.

Composition

The BNRC comprises four (4) members as follows, all of whom are Independent Non-Executive Directors:

Members	Date of Appointment as BNRC Member	Tenure on the BNRC as at 31 August 2021
1. Datuk Dr. Norma Mansor (Chairman)	12 May 2017	4 Years 3 Months
2. Dato’ Lim Han Boon	21 February 2011	10 Years 6 Months
3. Sharmila Sekarajasekaran	18 March 2015	6 Years 5 Months
4. Azrina Arshad	1 December 2020	8 Months

Note : Datuk Noripah Kamso had stepped down as BNRC member effective 1 December 2020 subsequent to the Board Committees composition restructuring exercise.

Meetings and Attendance

In FY2021, the BNRC had met five (5) times. The Company Secretary is in attendance in every meeting while the Executive Director, Senior Management and other Board members will attend the BNRC meetings upon invitation, as and when necessary.

 Refer to page 144 and 145 for the attendance record of BNRC members.

Roles and Responsibilities

BNRC were 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 BNRC are as follows:

Nomination	Remuneration
<ol style="list-style-type: none"> Review Board and Board Committees’ composition and competencies Nominate candidates for Board and Board Committees Assess the performance and effectiveness of the Board, Individual Board members and Board Committees Review Board and Senior Management Succession Plan Oversee Directors’ training and development needs and its effectiveness 	<ol style="list-style-type: none"> Formulate formal and transparent remuneration process for Board and Key Senior Management 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/>

Key Areas of Focus during FY2021:

Board and Board Committees’ composition and Succession Planning	<ol style="list-style-type: none"> Reviewed the size and composition of the Board Reviewed the Board Committees’ composition Reviewed and recommended the merging of Board Investment Committee and Board Risk Committee Reviewed the succession plan for the Board, Board Committee, Managing Director and Senior Independent Non-Executive Director
Board Appointment/ Re-Appointment	<ol style="list-style-type: none"> Reviewed the background, skills and experience of potential candidates to be appointed as the Independent Non-Executive Director of the Company Evaluated the contribution of Directors seeking re-election and recommend to the Board on their suitability Reviewed the Directors’ service tenure Reviewed the appointment of senior management position and recommended the need of having several Senior Management position
Framework, Policy & Guidelines	<ol style="list-style-type: none"> 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 and Hong Kong listing requirements as well as the MCCG Reviewed and recommended the amendments made in Independent Director Tenure Policy to limit the INEDs’ tenure to nine (9) years, in line with the step up practice of MCCG
Board and Senior Management Remuneration	<ol style="list-style-type: none"> Reviewed fees and benefit payable to Directors, benchmarked with industry practice Reviewed remuneration package of Executive Directors, Non-Executive Directors, Key Senior Management and related employees
Board Effectiveness Evaluation	<ol style="list-style-type: none"> Reviewed the Board Effectiveness Evaluation questionnaires Reviewed outcome of the annual Board’s and Board Committees’ performance assessments, independency of INEDs, contribution and performance of each individual director Reviewed Board skills matrix and level of competency to meet the current and future needs of the organisation
Others	<ol style="list-style-type: none"> Reviewed outcome of annual Employee’s Engagement and Job Satisfaction Survey Reviewed the Group’s organisation chart Deliberated on medical insurance coverage for Directors Reviewed consultant service agreement prior to engagement

Looking Ahead

Some of the priorities for FY2022 in addition to its regular activities are as follows:

- Continue to reveal gaps in Board composition and the solutions to fill the gaps
- Continue to develop appropriate training solution for the Directors to ensure they have the competencies in carry out their duties
- Formulate talent pool of Director by building a database of potential candidates collated from various independent sources
- Review the compensation package of Directors and Senior Management align with prevalent market practices to ensure that it remains competitive to attract and retain talent
- Remain focus on succession planning of the Directors and Key Senior Management
- Monitor follow up actions subsequent to the BEE findings

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 BNRC TOR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD SUSTAINABILITY COMMITTEE REPORT

The Board Sustainability Committee (“BSC”) of Top Glove is pleased to present the BSC Report for FY2021.

The Board recognised the importance of adopting a sound business model which incorporating environmental, social and governance (“ESG”) considerations. BSC has been formed since March 2019 to provide advice and assistance to the Board in integrating long term thinking into day-to-day business decisions and to steer ESG strategy into a competitive advantage for the business to create long term values to our stakeholders. The Board is committed to contribute the UN Sustainable Development Goals (UN SDGs) via implementation of ESG strategies and initiatives.

Sustainability encompasses how Top Glove conducts its businesses, now and in the future, including the pursuit of ensuring employees’ workplace health and safety, respecting to human rights, a commitment to the community and social responsibility, minimising the Company’s impact on the environment, complying with highest standards of corporate governance and maintaining Top Glove’s reputation as one of Malaysia’s leading companies.

Composition & Structure

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 four (4) 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 2021
1. Sharmila Sekarajasekaran (Chairman)	22 March 2019	2 Years 5 Months
2. Puan Sri Tong Siew Bee	22 March 2019	2 Years 5 Months
3. Datuk Noripah Kamso	22 March 2019	2 Years 5 Months
4. Azrina Arshad	22 March 2019	2 Years 5 Months

Note : Dato’ Lim Han Boon had stepped down as BSC member effective 1 December 2020 subsequent to the Board Committees composition restructuring exercise.

Meetings and Attendance

In FY2021, the BSC had met five (5) times. The Company Secretary is in attendance in every meeting while the Executive Director, Senior Management, Manager of Sustainability Department and other Board members will attend the BSC meetings upon invitation, as and when necessary.

The minutes of each BSC meeting was duly noted by the Board via distribution to each Board member and the Chairman of the BSC highlights on key issues discussed during the BSC meeting.

Roles and Responsibilities

BSC play a role as champions of sustainability within the Company in driving the Group’s sustainability strategy and initiatives and overseeing the implementation of the Sustainability Charter adopted by the Board, guided by the TOR of BSC.

Key responsibilities of BSC are as follows:

Review sustainability strategy, blueprint and roadmaps and oversee implementation of strategy plans by the Management	Review adoption, compliance and effectiveness of all sustainability-related policies/ standards	Review periodic reports from Sustainability Steering Group and Sustainability Statement/ Report before publishing	Monitor the Sustainability Key Performance Indicators of the Group
---	---	---	--

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

 Refer to page 144 and 145 for the attendance record of BSC members.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Key Areas of Focus during FY2021:

Framework, Policy & Guidelines	<ol style="list-style-type: none"> 1. Reviewed adoption of Sustainability Charter 2. Reviewed and deliberated on Bursa Malaysia Sustainability Disclosure Review 2020
Sustainability Plan	<ol style="list-style-type: none"> 3. Discussed the long term and short term sustainability target and sustainability goals covering ESG pillars 4. Reviewed Sustainability Plan for FY2021 5. Reviewed and developed ESG roadmap and milestones 6. Reviewed the Year of ESG initiatives & progress
Sustainability Oversight	<ol style="list-style-type: none"> 7. Reviewed and deliberated on Materiality Assessment 8. Reviewed report from the Sustainability Steering Committee on the sustainability initiatives undertaken by the Group covering ESG pillars
Annual Reporting	<ol style="list-style-type: none"> 9. Reviewed the Sustainability Statement for inclusion in the Integrated Annual Report 10. Reviewed ESG reporting guide under Hong Kong listing requirement
Others	<ol style="list-style-type: none"> 11. Reviewed collaboration opportunity with third party in enhancing the Group’s sustainability practices 12. Reviewed UN Sustainable Development Goals (UN SDG) mapping with the Company’s sustainability initiatives 13. Reviewed ESG gap analysis between the Company’s sustainability practices and international ESG best practices with the aim to improve the Company’s ESG ranking 14. Reviewed the industrial rating of the Group’s sustainability performance and discussed the areas for improvement 15. Deliberated on the ESG campaign to educate and raise awareness amongst the stakeholders 16. Reviewed the Group’s remuneration pay link to ESG metrics

Looking Ahead

BSC will continue its role in supporting the Board and overseeing the development, implementation, measurement and reporting of the Group’s ESG performance. In addition, BSC will strengthen its role and place a 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 on a sustainable basis for the benefit of current and future generations.

Some of the priorities for FY2022 in addition to its regular activities are as follows:

1. Prioritisation in identified material matters
2. Monitor ESG progress and strategies
3. Monitor ESG compliance with international best practices
4. Proactive stakeholders engagement on continuous basis to effectively manage material sustainability matters
5. Enhance sustainability awareness to cover wider value chain
6. Ongoing enhancement of sustainability reporting and to get third party verification / audit on ESG disclosure
7. Establish ESG related risk assessment
8. Improvement in sustainability rating and ranking

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 BSC TOR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INDEPENDENT DIRECTOR COMMITTEE REPORT

The Independent Director Committee (“IDC”) of Top Glove is pleased to present the IDC Report for FY2021.

IDC was established to provide an avenue for all Independent Directors to have a session amongst themselves to deliberate matters in relation to the Company’s business strategy and operations without the presence of Executive Directors with the objective to enhance Shareholders’ value by providing independent view and recommendation to the Board and Management.

Composition

The IDC members comprises all the seven (7) Independent Non-Executive Directors of the Company as follows, led by the Senior Independent Non-Executive Director:

Members	Meeting attendance
1. Dato’ Lim Han Boon (Chairman)	5/5 (100%)
2. Tan Sri Rainer Althoff	5/5 (100%)
3. Datuk Noripah Kamsu	5/5 (100%)
4. Datuk Dr. Norma Mansor	5/5 (100%)
5. Sharmila Sekarajasekaran	5/5 (100%)
6. Azrina Arshad	5/5 (100%)
7. Lim Andy	5/5 (100%)

Meetings and Attendance

In FY2021, the IDC met five (5) times without the presence of Executive Directors and/or the Management except that when Executive Directors and/or the Management’s presence is required to response to questions from the IDC. The Company Secretary is in attendance in every IDC meeting.

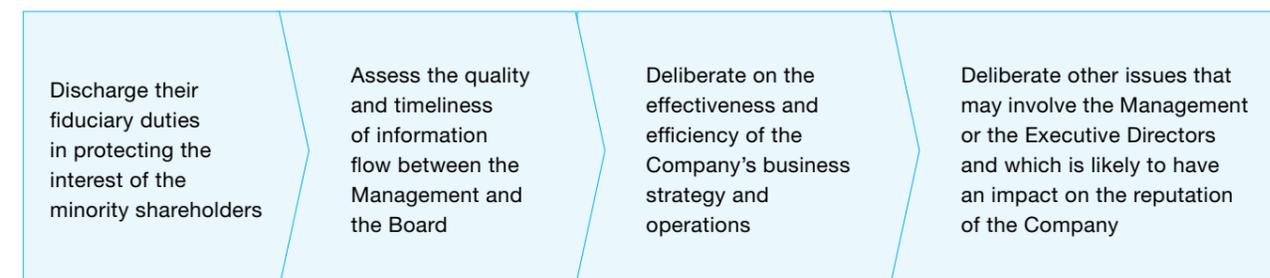
Total hours for IDC meeting FY2021:

11 hours 4 minutes

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Roles and Responsibilities

Key responsibilities of IDC are as follows:



Key Areas of Focus during FY2021:

The IDC had met periodically with/without the presence of Executive Directors and/or the Management during FY2021. Concerns raised at the IDC meeting and recommendations of the IDC were put forth to the Board for deliberation and endorsement.

In FY2021, IDC met five (5) times to deliberate among others, the following matters:

- ① Sustainability roadmap including ESG compliance
- ② Digital transformation roadmap
- ③ Organisation strategic direction, roadmap and blueprint
- ④ Labour issues and social compliance
- ⑤ Whistleblower treatment
- ⑥ Share buy back strategies
- ⑦ Dividend policy
- ⑧ Shareholder activism and Board Governance
- ⑨ Strategic/Crisis communication and management
- ⑩ Proposed listing in the Hong Kong Stock Exchange
- ⑪ Succession planning for Board and Key Management Personnel

In addition, the IDC actively engage with the Management on all sustainability matters, with special focus on social compliance, covering amongst others, employees’ safety, grievance mechanism and compliance with labor/human rights. IDC visited the workers hostels and initiate quarterly engagement sessions with the Company’s migrant workers with the presence of the Management to ensure that proper actions were carried out by the Management to safeguard the wellbeing of the workers particularly in curbing the COVID cases within the organisation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 FY2021.

Composition & Structure

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 2021
1. Dato’ Lim Han Boon (Chairman)	21 February 2011	10 Years 6 Months
2. Datuk Noripah Kamso	18 March 2015	6 Years 5 Months
3. Sharmila Sekarajasekaran	15 October 2015	5 Years 10 Months
4. Azrina Arshad	8 January 2019	2 Years 7 Months

Meetings and Attendance

In FY2021, the BAC had met nine (9) times, two (2) of which were meetings with the External Auditors, without the Executive Directors’ and Management’s presence and one (1) of which was a meeting with the Head of Internal Audit, without the Executive Directors’ and Management’s presence.

The Company Secretary is in attendance in every meeting while the Executive Director, Head of Internal Audit, Senior Management, External Auditors and other Board members will attend the BAC meetings upon invitation, as and when necessary. During FY2021, 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 minutes of each BAC meeting was duly noted by the Board via distribution to each Board member and the Chairman of the BAC highlights on key issues discussed during the BAC meeting.

 Refer to pages 144 and 145 for the attendance record of BAC members.

Roles and Responsibilities

BAC had been entrusted by the Board to execute its governance and oversight responsibilities in ensuring transparent financial reporting within the Group, guided by the BAC’s TOR. BAC are assisted by in-house Internal Audit Department in the effective discharge of their responsibilities in establishing cost-effective controls, adhering to the Internal Audit Charter adopted by the BAC.

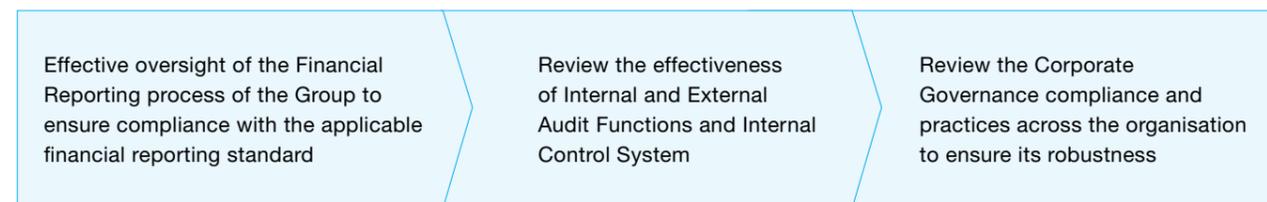
BAC deliberates the Summary of Internal Audit Reports and the external auditors’ reports relating to financial, operational, governance, risk management and control matters every quarter during BAC meeting. The status of preventive and corrective actions for issues discussed are updated to the BAC to ensure that the actions are being monitored.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

Key responsibilities of 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 FY2021:

Financial Reporting	<ol style="list-style-type: none"> 1. Reviewed all the 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 change in the accounting policies and its implementation; significant and unusual events arising from the audit; 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. 2. Reported its findings on the financial and Management’s performance and other material matters to the Board. 3. 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"> 4. 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. 5. Reviewed salient audit issues together with recommendations from the Internal Audit. BAC considered the highlighted issues, taking into account Management’s responses, upon which approved the internal auditors’ proposal for rectification and implementation of the agreed remedial actions for improvement. 6. Reviewed the adequacy and competency of the Internal Audit resources required to carry out Internal Audit engagement works. 7. 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”). 8. 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"> 9. Discussed with the External Auditors, before the audit commences, the audit plan, nature and scope of the audit, emphasised areas of audit and ensured co-ordination 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. 10. 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. 11. Held two (2) private meetings with the External Auditors without the presence of the Executive Directors and Management to discuss the areas of audit concern. 12. 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. 13. Reviewed the performance of the External Auditors and recommended its re-appointment and remuneration to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Related Party Transactions	<p>14. Reviewed and recommended on a quarterly basis, the related party transactions presented by Management to the Board for approval, to ensure that these transactions are undertaken in the Company's best interests and not detrimental to the minority shareholders' interests and are done under fair and reasonable grounds and normal commercial terms.</p> <p>15. Monitored the thresholds of the related party transactions and recurrent related party transactions to ensure compliance with Bursa Securities Main LR.</p>
Annual Reporting	<p>16. 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.</p>
Others	<p>17. Reviewed the Group's cash flow budget.</p> <p>18. Reviewed Business Units Performance and capital expenditures.</p> <p>19. Reviewed the Share Buy Back policy and procedures and recommended for Board's adoption.</p> <p>20. Verified the share buy-back activities of the Company.</p> <p>21. Verified and ensure 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.</p> <p>22. Verified the share issuance arising from conversion of Convertible Bond.</p> <p>23. Reviewed the Whistleblowing Policy and Procedures and cases of the Group.</p> <p>24. Deliberated on Transfer Pricing policy and procedures.</p> <p>25. Reviewed and deliberated the corporate governance compliance of the Company and areas for improvement.</p> <p>26. Reviewed Social Audit Compliance of the Group and the implementation of mitigation plans.</p> <p>27. Reviewed revision made to the BAC's Terms of Reference, Related Party Transaction Policy, Donation policy and External Auditors Assessment Policy and recommended the revised version for the Board's approval.</p> <p>28. Reviewed Securities Dealing Policy and Policy on Prevention of Insider Dealing and Market Misconduct and recommended for Board's adoption.</p> <p>29. Reviewed Management updates on Withhold Release Order imposed by the U.S. Customs and Border Protection.</p> <p>30. Reviewed proposal on proposed dual primary listing in the Stock Exchange of Hong Kong Limited.</p> <p>31. Reviewed the guidelines on Conduct of Directors of Listed Corporations and its Subsidiaries issued by Securities Commission Malaysia and its implication to the Group.</p> <p>32. Reviewed the updated Malaysian Code on Corporate Governance 2021 issued by Securities Commission Malaysia and the gap analysis.</p> <p>33. Reviewed the Group's compliance with 11 International Labour Organization's Forced Labour Indicators for Direct Operations.</p> <p>34. Reviewed the Group's compliance with ACT 446 of Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990.</p>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Professional Development programmes

During FY2021, 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 on page 13 to 17 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") comprises ten (10) members, led by Mr. Lim Lung Fui @ Jack, a member of the Malaysian Institute of Accountants who has over twenty (20) years of experience in operational and financial audit. IAD reports directly to the BAC and is guided by its Internal Audit Charter and Terms of Reference.

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. The function of the IAD is to provide 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 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 FY2021, the areas audited included audits of the various departments covering factories and subsidiaries within the Group. Summary of Internal Audit reports were issued to the BAC quarterly and tabled in the BAC meetings. The reports were also issued to the respective operations management, incorporating audit recommendations and Management's responses with regards to any audit finding on the weaknesses in the systems and controls of the operations after completion of audit. The IAD conducted a follow-up audit to ensure the agreed audit recommendations were implemented appropriately.

All members of the IAD continues to develop their competencies through attending training programmes conducted by professional certification body or from In house, sharing of knowledge via transfer of learning (TOL) programme to keep abreast with developments in the profession, relevant industry and regulations to effectively perform their roles. Each of IAD members is required to achieve at least 45 training hours during FY2021.

The total cost incurred for the in-house Internal Audit Function for FY2021 was RM1,823,469 (FY2020: RM1,325,794).

Looking Ahead

BAC will continue its role in supporting the Board in its governance and oversight responsibilities in ensuring the effectiveness of the financial reporting, Internal and External Audit Function.

Some of the priorities for FY2022 in addition to its regular activities are as follows:

- ① Strengthen BAC's skills and knowledge to effectively discharge their responsibility
- ② Enhance forecasting and disclosure on potential COVID impacts to the organisation
- ③ Monitor the compliance of Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018 and Adequate Procedures implementation
- ④ Monitor the corporate governance compliance and practices to align with MCGG 2021 and policies and procedures adopted by the Board
- ⑤ Review adequacy and competencies of audit resources coupled with deploying technology in audit process in ensuring effectiveness of Internal Audit function
- ⑥ Review initiatives by IT on cybersecurity and IT system to strengthen control process
- ⑦ Address short term and long term liquidity and funding risk

BAC Effectiveness Review and Performance

The performance and effectiveness of the BAC is assessed annually with the BAC assessing the Committee as a whole. The BNRC will then review the evaluation results. During FY2021, the Board is satisfied that the BAC and its members have been able to discharge their functions, duties and responsibilities in accordance with the TOR of the BAC.

Besides, BAC also evaluated the effectiveness of Internal Audit function and the External Auditors performance and their independence. Based on the assessment, the Board is satisfied with the overall performance of the Internal Audit function and External Auditors and their independence.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD RISK COMMITTEE REPORT

The Board Risk Committee (“BRC”) of Top Glove is pleased to present the BRC Report for the FY2021.

As the global economy continues to change coupled with increasingly uncertain environment, the Board took cognisance that it is important to adapt and evolve faster than ever to stay relevant and successful, particularly in risk management. The Board delegated the risk oversight responsibility to the BRC. The Board through the BRC monitors and regularly reviews the effectiveness of the Group’s risk management and internal control systems, including controls related to the material financial, operational, reputational, cyber security, sustainability and regulatory compliance performance.

Composition & Structure

The BRC 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 BRC Member	Tenure on the BRC as at 31 August 2021
1. Datuk Noripah Kamso (Chairman)	8 January 2019	2 Years 7 Months
2. Dato’ Lim Han Boon	11 May 2013	8 Years 3 Months
3. Tan Sri Rainer Althoff	11 May 2013	8 Years 3 Months
4. Datuk Dr. Norma Mansor	12 May 2017	4 Years 3 Months

Note : Dato’ Lee Kim Meow and Mr Lim Cheong Guan had stepped down as BRC member effective 1 December 2020 subsequent to the Board Committees composition restructuring exercise.

Meetings and Attendance

In FY2021, the BRC had met eight (8) times. The Company Secretary is in attendance in every meeting while the Executive Director, Head of Internal Audit, Head of Risk Management, Senior Management and other Board members will attend the BRC meetings upon invitation, as and when necessary.

The minutes of each BRC meeting was duly noted by the Board via distribution to each Board member and the Chairman of the BRC highlights on key issues discussed during the BRC meeting.

 Refer to page 144 and 145 for the attendance record of BRC members.

Roles and Responsibilities

During the financial year under review, the Board Investment Committee had been dissolved with effect from 1 December 2020 and its function had been incorporated into the BRC. The Terms of Reference of BRC had been amended to reflect the additional function.

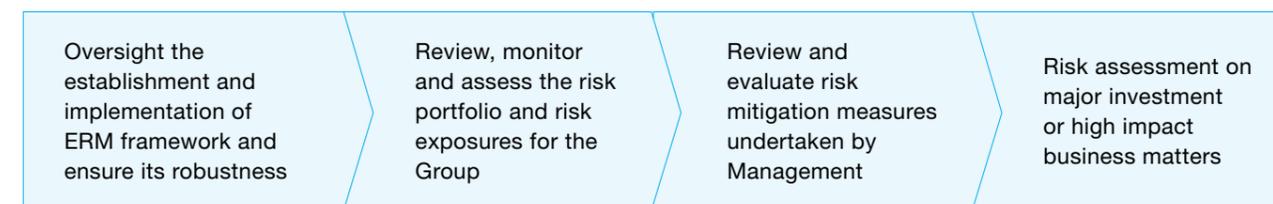
An Enterprise Risk Management (“ERM”) Framework has been developed for all business processes by Risk Management Department and approved by the BRC. The ERM Framework ensures that a structured risk management process is adopted across the Group which incorporates key process relating to the identification, assessment, mitigation, monitoring and reporting of the Group’s risks and controls.

BRC is assisted by in-house Risk Management Department and Risk Management Committee in the effective discharge of their responsibilities in assessing risks, recommending measures to mitigate those risks and assuring proper control and governance process.

The Risk Management Department presents the Risk Management Report to the BRC every quarter to provide an overview of the Group’s significant risks and action plans to mitigate the risks. The BRC provides its views which are then communicated to the respective risk owners. The significant risks are then escalated to the Board upon deliberation by BRC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Key responsibilities of BRC are as follows:



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

Key Areas of Focus during FY2021:

Framework, Policy & Guidelines	<ol style="list-style-type: none"> 1. Revisited the ERM Framework and BRC’s Terms of Reference to strengthen ERM processes 2. Reviewed adoption of Business Continuity Management policy and framework to elevate the Group’s resilience and governance level 3. Reviewed adoption of Global Regulatory Risk framework 4. Reviewed adoption of Share Buy Back policy and procedures from risk perspective 5. Reviewed Bond Investment guideline
Risk Monitoring	<ol style="list-style-type: none"> 6. Ongoing Risk Matrix and Risk Register review to identify, evaluate, monitor, manage and mitigate major risks 7. Assessed emerging risk and mitigation plans covering among others, the ESG risk and reputational risk 8. Assessed risks associated with the Group’s overseas operations
Appraise New Business Ventures & Corporate Proposal	<ol style="list-style-type: none"> 9. Risk assessment of new business ventures and major projects undertaken 10. Risk assessment on Proposed dual primary listing in the Stock Exchange of Hong Kong Limited
Others	<ol style="list-style-type: none"> 11. Recommended and deliberated on the appointment of Chief Compliance Officer to take charge of global regulatory compliance for the seven jurisdictions where the Group operated to strengthen the Corporate Compliance programme groupwide 12. Recommended the establishment of Blockage Management Taskforce as a long-term solution to prevent and address the systemic risk 13. Reviewed Management’s action plans in the upliftment of Withhold Release Order imposed by US Custom Border and Protection 14. Reviewed Management’s action plans in dealing with activists’ allegations 15. Assessed the social audit compliance initiative undertaken by the Group in safeguard human rights

Looking Ahead

BRC will continue its role in supporting the Board in its risk oversight responsibilities in ensuring the robustness of the ERM framework.

Some of the priorities for FY2022 in addition to its regular activities are as follows:

- 1 To conduct systematic periodic review of the risk mapping of potential issues
- 2 Integrate risk management into the day-to-day decision making process across all business operations and business strategy
- 3 Linked risk management to performance and reward through Key Performance Indicator Index to reflect stronger compliance accountability for all staff
- 4 Instil risk awareness across the Group through more education programmes such as technical risk assessment workshops to enhance the skills and capabilities of the BRC members as well as the compliance talent pools
- 5 Formalise Risk Management Blueprint
- 6 Strengthen Business Continuity Management

BRC Effectiveness Review and Performance

During the year under review, the Board assessed the performance of the BRC through the annual Board Effectiveness Evaluation. During FY2021, the Board is satisfied that the BRC and its members have been able to discharge their functions, duties and responsibilities in accordance with the TOR of the BRC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

As a Group, we are more conscious than ever of the importance of stakeholder engagement and believe that effective communication and proactive engagement with stakeholders is paramount in establishing a mutual understanding of both the Group's and stakeholders' objectives. We understand the value of long-term thinking and believe that effective stakeholder engagement is critical to fostering mutually beneficial relationships and securing our long-term success.

While the majority of engagement with stakeholders is undertaken by our experienced and dedicated Management teams, the Board is kept continually apprised of stakeholder matters. The directors are also ready whenever required to engage directly with stakeholders, as demonstrated by the directors' participation in employee forums. The Board receives regular updates from the Executive Directors and senior management on insights and feedback from stakeholders which allows the directors to understand and consider the perspectives of key stakeholders in decision making. It also allows the Board to oversee and monitor effectively the work being done within the stakeholder environment and affords the directors the opportunity to appraise and challenge, where appropriate, the work being done by Management and any associated decisions. The Board is cognizant of the fact that the relevance of each stakeholder group may change depending on the matters being considered and 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 something which 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 to 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 development 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 LR through media releases. The Board is mindful of the legal and regulations governing the release of material and sensitive information so as not to mislead 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.

The Board has formalised a Corporate Disclosure Policy to ensure that communications to the public regarding the Group are timely, factual, accurate and complete. The said Policy outlines the central principles and practices in communicating with the investors, shareholders, medias and regulators.

 [The Corporate Disclosure Policy is accessible through the Company's website: https://www.topglove.com/governance-manual/](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/>
2. **Website:**
<https://www.topglove.com>
3. **Corporate Announcement:**
<https://www.topglove.com/investor-relations-event>
4. **General Meeting:**
<https://www.topglove.com/investor-relations-event>
5. **Newsroom:**
<https://www.topglove.com/newsroom>
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 page 57 to 60 of the Corporate Governance Report 2021, which is available on our website at https://www.topglove.com/governance-manual/](https://www.topglove.com/governance-manual/)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Financial Calendar

9 Dec 2020	9 Mar 2021	9 Jun 2021	17 Sep 2021	28 Oct 2021	12 Nov 2021
Unaudited consolidated results for the first quarter ended 30 November 2020	Unaudited consolidated results for the second quarter and half year ended 28 February 2021	Unaudited consolidated results for the third quarter ended 31 May 2021	Unaudited consolidated results for the fourth quarter and financial year ended 31 August 2021	Issuance of Audited Financial Statements for the financial year ended 31 August 2021	Issuance of Integrated Annual Report 2021

Note : All the Quarterly Results Briefing FY2021 were held virtually on the same date as the financial result release date.

Dividend Calendar

1st Interim	2nd Interim	3rd Interim	Final
Single Tier First Interim Dividend of 16.5 sen per share	Total Second Interim Dividend of 25.2 sen per share consists of: (i) Single Tier Second Interim Dividend of 18.0 sen per share; and (ii) Special Dividend of 7.2 sen per share.	Total Third Interim Dividend of 18 sen per share consists of: (i) Single Tier Third Interim Dividend of 12.7 sen per share; and (ii) Special Dividend of 5.3 sen per share.	Total Final Dividend of 5.4 sen per share consists of: (i) Single Tier Final Dividend of 3.8 sen per share; and (ii) Special Dividend of 1.6 sen per share.
Entitlement date : 28 December 2020	Entitlement date : 24 March 2021	Entitlement date : 24 June 2021	Entitlement date : 4 October 2021
Payment date : 11 January 2021	Payment date : 6 April 2021	Payment date : 7 July 2021	Payment date : 15 October 2021

IR Contact and Feedback

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

(N) : Mr. Lim Cheong Guan
(Executive Director)
(T) : +603 3362 3098
(F) : +603 3362 3860
(E) : invest@topglove.com.my

Corporate Matters

Corporate, Announcement and General Meetings related queries and feedback may be referred to the head of Corporate Services department:

(N) : Ms. Kassy Lim Keat See
(Company Secretary)
(T) : +603 3362 3098
(F) : +603 3362 3860
(E) : topglovecosec@topglove.com.my

Media Enquiries

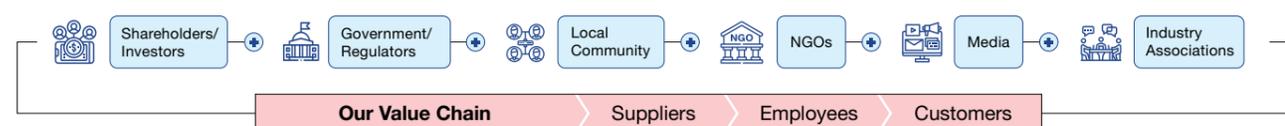
Media related enquiries and feedback may be referred to the head of Corporate Communications department:

(N) : Ms. Michelle Voon Wei-Ann
(T) : +603 3362 3098
(F) : +603 3362 3860
(E) : media@topglove.com.my

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

How Our Key Stakeholders are Connected



Stakeholder Group	Why We Engage?	Top 5 Material Matters Concerned	How We Engage?	Frequency	Our Response To Concerns	Value Created
Employees	Employees are the backbone of the Group's business. Their knowledge and experience contribute to the daily operations and ensure Top Glove is able to achieve the Company's long-term goal.	<ol style="list-style-type: none"> Occupational Health and Safety Customer Experience Infectious Diseases Human Rights Ethics, Integrity and Governance 	<ul style="list-style-type: none"> Staff assembly Employee satisfaction survey Performance appraisal review Recreational activities/empowerment and training opportunities Newsletters Corporate events 	<ul style="list-style-type: none"> Weekly Annually Bi-annually As needed 	<ol style="list-style-type: none"> Subsidised medical check-up, free yearly blood screening and dental check-up for employees Frequent training on safety for factory employees Social aspects training Worker townhalls Safety awareness programmes COVID vaccination for employees Improved workers' accommodation according to regulations Independent audits on labour practices 	<ol style="list-style-type: none"> Strong relationships with employees Stronger motivation to improve productivity Safer work environment leading to lower incident rate
Customers	Our customers in different industries rely on our products to carry out their daily duties. Our market share comprised our customers around the globe.	<ol style="list-style-type: none"> Customer Experience Product Quality and Safety Ethics, Integrity and Governance Occupational Health and Safety Supply Chain Management 	<ul style="list-style-type: none"> Meetings Social compliance audits Customer portal Business trips Tradeshows 	<ul style="list-style-type: none"> As needed Annually 	<ol style="list-style-type: none"> Product inspections prior to delivery to customers Quality testing of random samples from finished products by Quality Assurance team Customer satisfaction survey SMETA and BSCI social audits initiated by customers Suppliers certified with FSC certification 	<ol style="list-style-type: none"> Stronger customer relationships, leading to larger customer base and retention Increased brand relevance globally Renewal of product licenses and business permits Customers' satisfaction guaranteed
Shareholders/ Investors	Shareholders and investors invest in the Group's business and we are obligated to share our financial performance and strategic decisions for future outlook.	<ol style="list-style-type: none"> Customer Experience Product Quality and Safety Ethics, Integrity and Governance Infectious Diseases Labour Management Relations 	<ul style="list-style-type: none"> Analysts' briefings Annual survey form General meetings Analysts/fund managers/investors meetings Roadshows and conferences Social media platform 	<ul style="list-style-type: none"> Quarterly Annually Annually and as needed As needed 	<ol style="list-style-type: none"> Innovation through R&D Investment in automation and digitalisation Updated corporate website Implementation of the Anti-Bribery Management System Adoption of Corporate Disclosure Policy COVID vaccination for employees Customer satisfaction survey 	<ol style="list-style-type: none"> Assured and continuous investors' confidence Transparency in corporate governance reporting and practices Greater product range Consistent product quality and lower production cost
Suppliers	Suppliers provide the necessary raw materials for our production process. To ensure stable raw material, it is essential to maintain good relations with them.	<ol style="list-style-type: none"> Customer Experience Occupational Health and Safety Product Quality and Safety Ethics, Integrity and Governance Infectious Diseases 	<ul style="list-style-type: none"> Audits and site visits Meetings Electronic procurement network 	<ul style="list-style-type: none"> Annually As needed 	<ol style="list-style-type: none"> Regular meetings and interactions on issues encountered Supplier audits after meetings and interactions Quality testing of random samples from finished products by Quality Assurance team Customer satisfaction survey COVID vaccination for employees Updated Business Partners' Code of Conduct 	<ol style="list-style-type: none"> Sustainable supply source process Business reputation and integrity assured Stronger business relationship with suppliers

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Stakeholder Group	Why We Engage?	Top 5 Material Matters Concerned	How We Engage?	Frequency	Our Response To Concerns	Value Created
 Government/Regulators	Governmental bodies introduce laws and policies that could impact our business locally and globally. To maintain the legality of our business, it is essential to comply with their regulations.	<ol style="list-style-type: none"> Occupational Health and Safety Infectious Diseases Product Quality and Safety Waste and Effluent Environmental Compliance 	Formal meetings	As needed	<ol style="list-style-type: none"> Quality testing of random samples from finished products by Quality Assurance team COVID vaccination for employees Frequent training on safety for factory employees Safety awareness programmes Disposal of schedule waste according to Department of Environment's (DOE) standards Factories certification with Environmental Management System ISO14001 	<ol style="list-style-type: none"> Renewal of product licenses and business permits Product quality and employees' safety assured Business reputation and integrity assured Compliance with governmental regulations
 Local Community	We are just a small part of a larger community. Given that there could be adverse impacts, we are obligated to mitigate them as we rely on the community's goodwill to continue our operations.	<ol style="list-style-type: none"> Waste and Effluent Infectious Diseases Environmental Compliance Occupational Health and Safety Human Rights 	Formal meetings Community support programmes	As needed	<ol style="list-style-type: none"> Disposal of schedule waste according to DOE's standards Monitoring of direct and indirect emissions Effluent discharge monitoring COVID vaccination for factory employees Independent audits on labour practices TGGD Clinic open to local community 	<ol style="list-style-type: none"> Stronger relationship with the local community Safer and cleaner living environment for the local community
 Non-Government Organisations (NGOs)	NGOs provide valuable inputs with respect to our social and environmental efforts. They also bridge the distance between other stakeholders.	<ol style="list-style-type: none"> Ethics, Integrity and Governance Infectious Diseases Product Quality and Safety Human Rights Occupational Health and Safety 	Formal/casual meetings Campaigns	As needed	<ol style="list-style-type: none"> Quality testing of random samples from finished products by Quality Assurance team Implementation of the Anti-Bribery Management System Independent audits on labour practices COVID vaccination for employees 	<ol style="list-style-type: none"> Positive relationship with NGOs Improved company's image among the public
 Media	The media has great influence over the public perception of the Group. The Group's reputation partially relies on the positive or negative media reporting that may lead to a reputation boost or damage.	<ol style="list-style-type: none"> Infectious Diseases Product Quality and Safety Environmental Compliance Water Management Human Rights 	Quarterly financial results' briefings Interviews Media inquiries	Quarterly As needed	<ol style="list-style-type: none"> COVID vaccination for employees Quality testing of random samples from finished products by Quality Assurance team Monitoring of direct and indirect emissions Environmental awareness programmes for all employees Implementation of a Solar Power System to reduce emissions Independent audits on labour practices 	<ol style="list-style-type: none"> Increased brand relevance and reputation Transparency in information reporting to all relevant parties
 Industry Associations	Different associations bring different market insights and feedback that could be beneficial to the Group's long-term growth. Effective engagement & collaboration with industry associations could create positive impacts to the environment & stakeholders.	<ol style="list-style-type: none"> Human Rights Product Safety and Quality Ethics, Integrity and Governance Labour Management Relations Environmental Compliance 	Management/Board meetings	As needed	<ol style="list-style-type: none"> Innovation through R&D Investment in automation and digitalisation Implementation of Zero Cost Recruitment Policy Whistleblowing Policy Independent audits on labour practices Factories certification with Environmental Management System ISO14001 	<ol style="list-style-type: none"> Continuous support from industrial peers Informational updates about the industry to keep track Stronger relationships with our peers Industrial peers assured of business integrity and sustainability

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Other Compliance Information:

1. Utilisation of Proceeds

There were no funds raised by the Company through any corporate proposal during FY2021.

2. Audit & Non-Audit Fees

Details of statutory audit, audit-related and non-audit fees paid/payable in the FY2021 to Ernst & Young PLT and its affiliates are as follows:

Type of Fees	Top Glove (RM)	Top Glove Group (RM)
a) Audit fees		
• Messrs. Ernst & Young PLT, Malaysia	80,000	622,000
b) Non-Audit fees *		
• Messrs. Ernst & Young PLT, Malaysia	1,874,000	1,874,000
• Member firm of Ernst & Young Global Limited	611,000	611,000
Total:	2,565,000	3,107,000

* The significant portion of the Non-Audit fees was pursuant to the appointment of Messrs. Ernst & Young PLT as the reporting accountants to report on the financial information of Top Glove Group in connection with the Company's proposed listing on the Main Board of the Stock Exchange of Hong Kong Limited.

3. Recurrent Related Party Transactions

During FY2021, 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 FY2021, 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 FY2021, 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 FY2021, there was no insider trading reported.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

7. Employees' Share Option Scheme ("ESOS")

The details of the ESOS for FY2021 are as follows:

Total number of ESOS options granted	83,545,900
Percentage of ESOS option granted to the Directors and senior management	15.42% of the total ESOS option granted
Total number of ESOS options exercised	28,968,800
Total ESOS options outstanding as at 31 August 2021	90,391,300

Other than the above, there were no issuance of convertible securities during FY2021. The number of ESOS option granted and exercised by the Directors as well as their ESOS options outstanding are disclosed on page 181 of this Integrated Annual Report.

The details of the issued and paid-up share capital of the Company as at 31 August 2021 are as follows:

	No. of Shares	RM
As at 1 September 2020	2,708,825,249	1,675,704,221.90
Ordinary shares issued pursuant to the ESOS	28,968,800	58,060,533.00
Ordinary shares issued pursuant to conversion of exchangeable bond	50,351,869	104,386,896.70
Ordinary shares issued pursuant to Bonus Issue	5,418,718,116	-
ESOS Compensation reserve	-	4,002,500.00
ESOS Cost	-	(500,585.37)
As at 31 August 2021	8,206,864,034	1,841,653,566.23

8. Employees Share Grant Plan ("ESGP")

The Company had established the ESGP of up to ten per centum (10%) of the issued and paid-up share capital of the Company (excluding treasury shares) for the eligible employees and Executive Directors of the Company and its subsidiaries for a duration of ten (10) years from 12 January 2016 to 11 January 2026.

The details of the ESGP for FY2021 are as follows:

Total number of shares awarded under ESGP	2,238,700
Percentage of shares awarded to Director under ESGP	0.0002%
Percentage of shares awarded to the Directors and senior management under ESGP	6.62% of the total shares awarded