



TOP GLOVE CORPORATION BHD
Registration No: 199801018294(474423-X)

BOARD EFFECTIVENESS EVALUATION FRAMEWORK

Adopted by the Board on 18 August 2020

1.0 OBJECTIVES

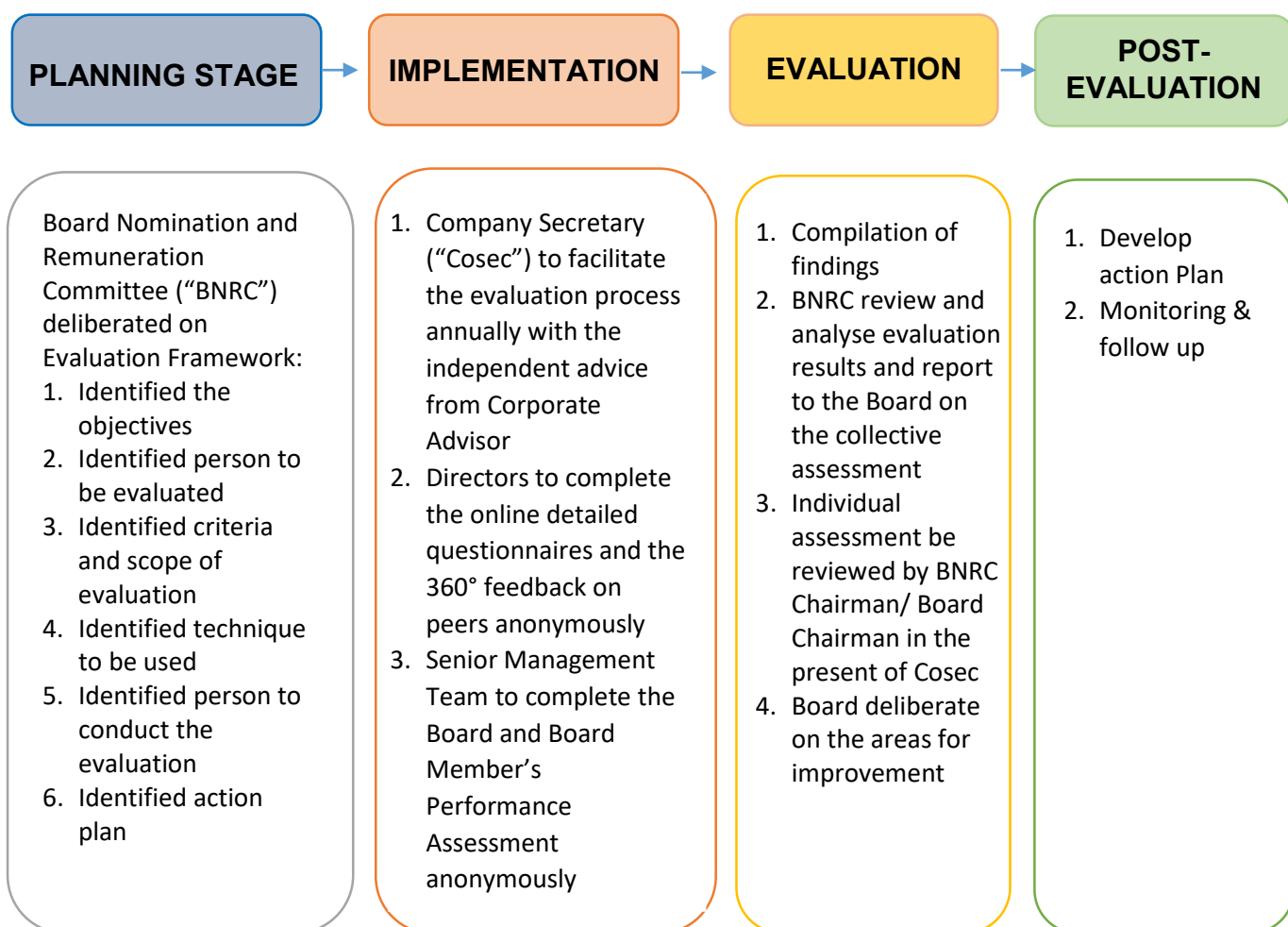
Board of Directors' primary role is to promote long term sustainability and shareholder value creation. Besides, the Board is accountable for the performance of the Company.

This Board Effectiveness Evaluation Framework aims to provide vital tool for Directors to:

1. structure a high-performing Board by reviewing and improving Board performance
2. reveal gaps in Board composition
3. improve Board alignment around key issues
4. provide fresh perspectives on the Board's and Management's functioning
5. establish proper guidelines for the Board to enhance the effectiveness of their interactions, particularly through strengthening Board practices and processes

2.0 BOARD EFFECTIVENESS EVALUATION ("BEE") FRAMEWORK

The Company's BEE framework is as follows:



3.0 PERSON TO BE EVALUATED

The following person will be evaluated :

Board	Assessment of the Board as a unit
Individual Director	Assessment of each individual director's performance on the Board and Board Committees
Board Committee	Assessment of the individual Board Committee as a unit
Unique position	Assessment on role such as Board Chairman, Board Committee Chairman and Senior Independent Director

4.0 CRITERIA AND SCOPE OF EVALUATION

The scope of evaluations covered the following :

4.1 BOARD PERFORMANCE ASSESSMENT

Board Performance evaluation is to be completed by all Directors.

BOARD STRUCTURE & COMPOSITION

1. Board Composition
2. Board Independence
3. Board Roles and Responsibilities
4. Board Committees
5. Board Nomination and Appointment process
6. Board Remuneration

BOARD DYNAMICS & EFFECTIVENESS

1. Overall Board Effectiveness
2. Board Involvement and Engagement
3. Communication with shareholders
4. Board Administration & Process

STRATEGY & BUSINESS PERFORMANCE

1. Innovation
2. Value Creation and Growth
3. Succession Planning & Development

MONITORING & RISK MANAGEMENT

1. Compliance and Regulations
2. Corporate Governance
3. Whistle Blowing Policy
4. Related Party Transactions

4.2 BOARD SELF & PEER PERFORMANCE EVALUATION

Board Self & Peer Performance evaluation is to be completed by all Directors.

FIT AND PROPER

1. Role that a Board play in governance and as Company Director
2. Technical competencies
3. Analytical skills

CONTRIBUTION AND PERFORMANCE

4. Raise red flags/ concerns
5. Quality of advice given
6. Participation in Board activities
7. Time commitment
8. Value add

CALIBRE AND PERSONALITY

9. Integrity
10. Listen attentively to ideas
11. Represents the company appropriately

INDEPENDENCE

12. Ability to speak openly and honestly

PROFESSIONAL DEVELOPMENT

13. Value add from training enrolled

4.3 BOARD SKILL MATRIX

Board Skill Matrix Evaluation Form is to be completed by all Directors. This Evaluation Form will be used as a general assessment of the skills and experience each individual director can contribute to the Board as well as business strategy of the Company.

Definition :

- **Skills :** Know how via training to help you in your job. Skills are usually acquired or learned. Eg. Knowing how to use Power Point presentation.
- **Experience :** You have been doing the work well and get the expected result. Eg. Job you have done related to your position you have applied for.

Skills:

1. Manufacturing/ Engineering / Operation/Production
2. Marketing
3. Financial, Capital Market and Investment
4. Innovation Technology (IT)/Industrial 4.0/Automation/IOT
5. Legal & Compliance
6. Strategy Development & Implementation
7. Entrepreneurship
8. Health, Safety and Environment (ESG)

9. Risk Management & Control
10. Human Resource / Talent Management
11. Mergers and Acquisitions
12. Stakeholders Engagement
13. Public Relations / Government Affairs

Experience:

1. Manufacturing
2. Innovation Technology (IT)/Industrial 4.0/Automation/IOT
3. Healthcare
4. International
5. Industrial
6. Public Listed Companies
7. Financial and Business Acumen
8. Public Relations / Government Affairs

4.4 INDEPENDENCY EVALUATION

Independency evaluation is to be completed by each Independent Director based on the criteria in accordance with the Bursa Malaysia Listing Requirements.

4.5 BOARD COMMITTEE ASSESSMENT

Each Board Committee will carry out performance assessment of their respective Board Committee, including self and peers' performance amongst the Committee member.

The following are the existing Board Committees:

1. Board Audit Committee
2. Board Risk Management Committee
3. Board Nomination and Remuneration Committee
4. Board Investment Committee
5. Board Sustainability Committee

Board Committee Evaluation :

1. Quality and Composition
2. Skills and Competencies
3. Meeting Administration and Conduct

Board Committee Self & Peer Evaluation

1. Capability
2. Contribution

4.6 EXTERNAL AUDITOR (“EA”) PERFORMANCE EVALUATION

EA performance evaluation is to be completed by Board Audit Committee.

1. Quality of Audit process and Audit Team
2. Independence and Objectivity
3. Audit Scope and Planning
4. Audit Communications

4.7 INTERNAL AUDIT (“IA”) FUNCTION EVALUATION

IA performance evaluation is to be completed by Board Audit Committee.

1. Quality of Audit process and Audit Team
2. Audit Scope and Planning

5.0 ASSESSMENT TOOLS AND APPROACH

The BEE will be carried out annually based on the following :

Questionnaire	<ol style="list-style-type: none">1. Company Secretary will design the questionnaire based on the agreed criteria as advised by the Independent Corporate Adviser.2. The questionnaire will table to the BNRC for review and comment.3. Directors to complete the questionnaire through online survey.
360° feedback	Directors and Senior Management Team to complete the 360° feedback on the strength and weaknesses of all individual Directors through online survey. The assessment will be on anonymous basis.
Interview	Interview session between the Board Chairman and individual Director, together with the present of the Company Secretary: <ol style="list-style-type: none">1. To clarify and understand in-depth the responses by Directors on the questionnaire in relation to the Board and Board Committee performance;2. To gain more insights on positive performance areas from the individual Directors’ perspective; and3. To obtain inputs from each Director on any specific concerns or areas of improvement to further enhance the overall Board effectiveness.

6.0 REPORTS

The Company Secretary will generate the final reports detailing the outcome of the qualitative and quantitative analysis. Company Secretary will recommend on the measures or action plan to close the gaps and address areas that require improvements with the advice(s) from the Independent Corporate Advisor.

The findings and recommendation will then be tabled to the BNRC for deliberation as well as to the Board for endorsement.