



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

Succession Planning Policy

Adopted by the Board of Directors on 20th day of September 2013.

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1. Introduction

A change in executive leadership is inevitable for all organizations and can be a very challenging time; Top Glove Corporation Bhd and all its subsidiaries have established a succession plan to provide continuity in leadership.

Succession planning requires collaboration across the organization. It is a process designed to ensure that the Group identifies and prepare employees for high level management positions through mentoring, training and job rotation to fill vacant position due to retirement, resignation, death or new business opportunities.

2. Objectives

A Succession Planning Policy is developed to ensure the stability and accountability of the organization by preparing for an eventual permanent change in leadership, either planned or unplanned, so as to ensure continuity support in operation and service when the Executive Chairman, Senior Management or key business leader leave their positions.

The Company aimed to develop a diverse pool of candidates by developing career paths for employees which will facilitate the Group's ability to recruit, train and retain top-performing or high talent employees.

To develop a diverse pool of candidates, the Board has to assess the permanent leadership needs of Top Glove to ensure the selection of a qualified and capable leader who is a good fit for the Top Glove's mission, vision, and objectives; coupled with the necessary skills for Top Glove.

Hence, is vital for the board to develop reliable assessment procedures and ensure that these procedures are applied systematically across the Group.

3. Responsibilities for Succession Planning

Key positions are identified as follows:

- Executive Chairman;
- Managing Director;
- Executive Directors;
- All Head of Divisions.

The Board is responsible for succession planning for the Executive Chairman, Managing Director and Executive Directors' positions. The Board should consider either to hire or to internally promote the new Executive Chairman, Managing Director and Executive



Directors, when anyone of the mentioned positions leaves and to ensure the successor has the required skills to implement the Group's mission and vision.

Whereas, the Executive Chairman is responsible for ensuring a succession plan is in place for the Head of Divisions in the Group with the assistance from the Managing Director and Executive Directors.

4. Succession Planning Process

- A. Identify required Group capabilities and talent needs, based on strategic business plan and Company's Vision and Mission;
- B. Determine the required capabilities for critical positions;
- C. List down competency profile of the selected talents or employees;
- D. Analyse and match the competencies between the critical position and select employee to identify the gaps;
- E. Create high level development plan for the selected employees to grow into target positions;
- F. Assess the performance of the selected employees on a periodic basis;
- G. Monitor and track the overall progress.

5. Key Success Factors

The support from the Board of Directors, the Executive Chairman and Senior Management are important for the succession planning process. This will give all employees an understanding and emphasis on the importance of succession planning to the Company.

Regular review and update for the succession plan is vital to ensure the Company has re-evaluated the hiring needs and assess the development progress of the selected candidates.

Not forgetting that succession shall be linked to the Company's strategic planning and future investment;

6. Review

This policy shall be reviewed annually by the Board.