



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

Board Diversity Policy

Adopted by the Board of Directors on 14 October 2014.



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1. Introduction

This Policy aims to set out the principles of Top Glove to maintain a Board with a diversity of directors.

2. Background

2.1 The Company has had an established policy of diversity in board appointments as reflected in the current composition of the Board.

2.2 This Policy pursues to record, more formally, the Company's policy on board diversity and to recognise the recommendation of the Malaysia Corporate Governance Guide, Second Edition.

3. Principle and Objective

3.1 Board diversity is an essential measure of good governance, is a critical attribute of a well-functioning board and contributing to the sustainable development of the Company. It enhances decision-making capability and a diverse board is more effective in dealing with organisational changes.

3.2 In applying this Policy we recognise that directors are appointed by shareholders, not the Board or the Company. The right to appoint directors is one of the most important rights exercisable by shareholders and is not sought to be restricted by this Policy. Merit and competence to serve the Board and hence shareholders remains the first priority.

3.3 The objectives of this Policy are to have a Board which:

- a) is characterized by a broad range of viewpoints rather than just diversity in skills and experience; diversity in viewpoints would exist if there is diversity in gender, nationality, age, culture and socio-economic backgrounds;
- b) has sustainable development as its core value, and thus promotes the interests of all our stakeholders, particularly the long term interests of our shareholders, fairly and effectively.

4. Scope

The Board considers that the concept of diversity incorporates a number of different aspects, such as professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background.



4.1 *Independence*

The Board includes a balanced composition of Executive, Non-executive Directors and Independent Non-executive Directors so that there is a strong element of independence in the Board. The Independent Non-executive Directors shall be of sufficient caliber and standing for their views to carry weight.

4.2 *Skills and Experience*

The Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors have a mix of finance, legal, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, investment and the professions.

4.3 *Gender*

The Board also takes cognisance of the recommendation of the Malaysian Government to have at least 30% women as decision makers in corporate sector as promulgated by the Cabinet in 2011. This has then been highlighted again in the Corporate Governance Blueprint 2011 – Towards Excellence in Corporate Governance issued by the Securities Commission, Malaysia which stipulates a goal for women participation on boards to reach 30% by 2016. The Board will take the necessary measures to attract women participation on the Board.

The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.

4.4 *Ethnicity*

To cope with the Top Glove's businesses, we aspire to having a board of directors of different nationality or ethnic backgrounds who can contribute their knowledge and understanding of the environment.

4.5 *Age*

The Board is fully committed to promoting age diversity, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination on age.



5. Measurable objective

- 5.1 Selection of candidates will be based on a range of diversity perspectives, including but not limited to professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity and age) will be disclosed in the Corporate Governance Report annually.
- 5.2 The Board acknowledges the importance to promote gender diversity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. Thus the Company does not set any specific target for female directors in the Gender Diversity Policy and will actively work towards having more female directors on the Board.
- 5.3 The NRC is responsible in ensuring that gender diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes.
- 5.4 The Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation on the Board.

6. Monitoring and reporting

- 6.1 Pursuant to the Term of Reference of the Nomination Committee, the Nomination Committee is (among other things) responsible for:
 - formally assessing the appropriate mix of Diversity, skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board
 - making recommendations to the Board in relation to Board succession, including the succession of the Chairman, to maintain an appropriate mix of Diversity, skills, experience and expertise on the Board and
 - reviewing and reporting to the Board in relation to Board Diversity.
- 6.2 The Nomination Committee will report to the Board on:
 - initiatives undertaken by the Board in relation to board Diversity and to achieve the Measurable Objectives,
 - progress in achieving the Measurable Objectives and
 - make recommendations to the Board regarding the Measurable Objectives.



- 6.3 The Board must, at least annually, assess:
- the Measurable Objectives and
 - progress in achieving the Measurable Objectives.

The Board will ensure that appropriate disclosures are made in the Annual Report regarding Board Diversity.

7. Publication and Revision

- 7.1 A summary of this Policy, together with the measurable objectives set for the implementation of this Policy will be included annually in the Corporate Governance Report. This Policy is also available on the Company's website www.topglove.com.
- 7.2 Any revisions to the Policy as recommended by the Nomination Committee will be submitted to the Board for consideration and approval.