

TOP GLOVE CORPORATION BHD.

(Company No. 474423 - X)
(Incorporated in Malaysia)

INVESTMENT COMMITTEE'S TERMS OF REFERENCE

1) INTRODUCTION

The Investment Committee established and authorized by the Board of Directors of Top Glove to provide guidance to the fund investment decision on its behalf.

2) OBJECTIVES

The main objectives of the Investment Committee are as follows:

- a. To assist, support and update the Board's on Top Glove's Cash Investment.
- b. To review, advise and ensure that the investment management of Top Glove investment fund is consistent with the delegated authority limit approved by the board. (Refer Appendix)
- c. To ensure cash invested is within risk profile of Top Glove in line with its investment objectives guidelines (Refer Appendix).
- d. To establish an effective investment management framework.

3) APPOINTMENT & QUORUM

The Board shall appoint a minimum of 3 members, of which majority of the members to be independent directors.

To form a quorum for meeting, there should be at least 50% of members present.

4) CHAIRMAN

The Chairman of the Investment Committee shall be elected from amongst the Investment Committee members. The Chairman of the Committee shall be approved by the Board of Directors.

5) SECRETARY

The Secretary of the Investment Committee shall be the Company Secretary of the Company.

6) MEETING

The Investment Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least two times a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Secretary shall on the requisition of the members of the Committee summon a meeting of the Committee except in the case of an emergency, a week's notice of every Committee meeting shall be given in writing.

Questions arising at any meeting of Directors shall be decided by a majority of votes, each Director having one vote and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote except where if the quorum of the meeting is two (2), and only two Directors are competent to vote on the question at issue or where only two directors form a quorum.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Meeting.

For good governance, each member must attend at least 75% of the meeting held within the year.

7) MINUTES

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Investment Committee and also to other members of the Board for notation.

The minutes of the Investment Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

8) CIRCULAR RESOLUTION

A resolution in writing signed or approved by letter, telex, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more directors.

9) AUTHORITY

The Investment Committee is authorised by the Board to examine any activity within its Terms of Reference. It is authorized to seek any information it requires pertaining to the area of investment and all employees are required to cooperate with the Investment Committee.

10) ROLES & RESPONSIBILITIES

- a) Select appropriate strategies to achieve the proper performance of the funds in accordance with the Board Decision.

- b) Review and advise on investment strategies and asset allocations of the funds for a particular securities to be invested.
- c) Ensure that the strategies selected are properly and efficiently implemented by the Top Glove Treasury Team/ Investment Team by the following manner:
 - i. Advise that strategies selected are appropriate for the funds and in accordance with the Board Directives, and that the strategies are implemented properly and efficiently.
 - ii. Review the investment management of the funds in reference to the Top Glove business operation objectives and internal investment restrictions and policies, external guidelines, regulations and securities laws.
- d) Actively monitor, measure and evaluate the fund management performance of the portfolios by the following manner:
 - i. Review performance reports on a regular basis.
 - ii. Review performance against benchmarks.
 - iii. Review relative performance within the industry.
 - iv. Review Information Ratios and the results of other investment management tools.
- e) Advise on appropriate action to be taken when
 - i. Objectives, guidelines and procedures are contravened
 - ii. Market risk changes.
- f) Act in the best interest of Top Glove shareholders by advising on policies and procedures governing the execution of investment transactions, the management of conflicts of interest and any other relevant policies.

11) DUTIES AND POWERS

- a) Members must observe all statutory obligations domestically and internationally.
- b) Members are required to declare their interest or securities held when there is potential conflict of interest arising from their position, as well as to declare their securities holdings to the Companies annually, and as and when there are any changes. This includes any securities held by nominees or relatives, spouse and children.
- c) Where necessary, the Member(s) may escalate notices of any critical issues, investment direction changes, deemed necessary, to the Board of Directors of the Companies.
- d) The Committee are allowed to obtain external professional advice at the expense of the Company, in furtherance of their duties and in the event that circumstances warrant the same.

12) TERMINATION

Any Investment Committee members may resign by submitting a notice of resignation and such request must be approved by the Board. The Board may terminate the appointment of any Member without assigning any reason thereof by giving two months' notice in writing or such shorter period as agreed upon.

13) CONFIDENTIALITY

In performing its duties and responsibilities, the Committee is expected to be prudent and judicious. The Investment Committee is to maintain strict confidentiality with respect to information known to the Committee in fulfilling its duties and responsibilities.

This condition shall survive the termination of the Member's appointment regardless of the manner of such termination.

14) AMENDMENTS TO THE TERM OF REFERENCE

The Term of Reference shall be reviewed by the Committee and amendments to be made from time to time with the Board's approval.

APPENDIX

CRITERIA FOR BOND INVESTMENT

- a) For current investment : Minimum of 95% of bonds purchased must be minimum investment grade (BBB- S&P) or higher.
- b) For new investment : 100% of bonds purchased must be investment grade.
- c) Contingent Convertibles (COCO) feature bonds are limited to 30%.
- d) Investments of Perpetual bonds are limited to 30%.
- e) Bonds currencies are AUD, EUR, GBP, USD, CNY and MYR.
- f) Crossed currency risks are not allowed.
- g) Invest in 100% big banks or financial institution bonds.
- h) Bond ranking must be at least Lower Tier 2 subordinated bonds or higher.
- i) Bond tenure is from 3 to 15 years, other than perpetual bonds.
- j) Price should not exceed 2% of par value of 100.

Any investment differ from the above guidelines will require the Investment Committee approval.