



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

# Succession Planning Policy

Updated on 18 June 2019

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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 develops a talent pool of 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 to ensure sufficient supply of suitably qualified employees for higher roles and responsibilities. Employees career paths development will also facilitate the Group's ability to recruit, train and retain top-performing or talented 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;
- Non-Executive Directors; and
- Key Senior Management.

The Board with the assistance of the Board Nomination and Remuneration Committee ("BNRC"), is responsible for succession planning for the Executive Chairman, Managing

Director, Executive Directors, Non-Executive Directors and Key Senior Management' positions.

The Board should consider either to hire or to internally promote the new Executive Chairman, Managing Director, Executive Directors and Key Senior Management, when anyone of the mentioned positions leaves and to ensure the successor has the required skills to implement the Group wide strategies.

Whereas, the Executive Chairman is responsible for ensuring a succession plan is in place for the key positions in the Group with the assistance from the Managing Director, Executive Directors and Key Senior Management.

#### **4. Succession Planning Process**

- A. The Board with the assistance from the BNRC will work with the Executive Directors and Human Resources Department to oversee the Succession Plans of the key positions in the Company.
- B. The successors for the Executive Chairman and Executive Directors shall be identified by the BNRC from among the Senior Management or external sources as the Board deem fit.
- C. An emergency succession contingency plan should be developed to prevent unforeseen circumstances such as death or disability occurs that stops the Executive Chairman, Managing Directors or Executive Directors from continuing to serve. The plan identifies the individuals who will act in an emergency and their responsibilities. The contingency plan is reviewed by the Board annually and revised as appropriate.
- D. Identify required Group capabilities and talent needs, based on strategic business plan and Company's Vision and Mission;
- E. Determine the required capabilities for critical positions;
- F. List down competency profile of the selected talents or employees;
- G. Analyse and match the competencies between the critical position and select employee to identify the gaps;
- H. Develop and implement high level leadership development plan such as coaching and mentoring programmes for the selected employees to grow into target positions;
- I. Assess the performance of the selected employees on annual basis;
- J. Monitor and track the overall progress.

## 5. Key Success Factors

The support from the Board of Directors, the Executive Chairman, Executive Directors 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 periodically by the BNRC.

<p><b>Adopted by Board: 20 September 2013</b> <b>Updated and Adopted by Board: 18 June 2019</b></p>
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