

MLABS SYSTEMS BERHAD
Company Registration No. 200401014724 (653227-V)

Terms of Reference of Remuneration Committee

1. Objectives

In accordance with the Malaysian Code on Corporate Governance, the Remuneration Committee is set up to provide recommendations to the Board on the remuneration of the executive directors in all its forms so that the remuneration are structured to link rewards to corporate and individual performance.

Executive directors should play no part in decisions on their own remuneration while the remuneration of the non-executive directors should be a matter solely for the Board as a whole to determine. The individuals concerned should abstain from discussion and voting on their own remuneration.

2. Size And Composition

The Remuneration Committee shall only consist of non-executive directors and a majority of them must be independent directors. The members of the Remuneration Committee shall elect a Chairman from amongst its members.

3. Meetings

The Remuneration Committee shall meet as and when is necessary. The quorum of the meeting shall be two non-executive directors.

4. Secretary

The Company Secretary shall act as Secretary to the Remuneration Committee and shall be responsible for keeping minutes of meetings of the Remuneration Committee and circulating them to the Remuneration Committee members.

5. Duties And Responsibilities

1. To determine and agree with the Board the framework or broad policy for the remuneration, in all forms, of the executive directors and/or any other persons as the Committee is designated to consider by the Board and getting professional advice as and when necessary;
2. To determine and recommend to the Board any performance-related pay schemes for the executive directors and/or any other persons as the Committee is designated to consider by the Board;
3. To determine the policy for and scope of service agreements for the executive and non-executive directors, termination payment and compensation commitments;
4. To recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfil its responsibilities;
5. To produce any required reports as may be required from time to time; and

6. To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

6. Circular Resolution

A resolution in writing signed by all the Committee Members shall be as effective for all purposes as a resolution passed at a meeting of the Remuneration Committee duly convened, held and constituted. In case any Committee Member is absent from Malaysia a resolution signed by the other Committee Members, (not being less than two), shall be valid and effectual.