

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

Terms of Reference of Nominating Committee

1. Objectives

In accordance with the Malaysian Code on Corporate Governance, the Nominating Committee is set up to provide recommendations to the Board candidates for all directorship of the Company. The final decision on the appointment of any directors of the Company shall be made by the Board.

The Nominating Committee shall be responsible in ensuring the appropriate Board balance and size, and that the Board has a required mix of responsibility, skills and experience. An annual review of the mix of skills, experience and other core competencies of the Board shall be made by the Nominating Committee.

2. Size And Composition

The Nominating Committee shall consist wholly of non-executive directors. The members of the Nominating Committee shall elect a Chairman from amongst its members who shall be an independent non-executive director.

3. Meetings

The Nominating Committee shall meet at least once annually or as and when in necessary. The quorum of the meeting shall be two members.

4. Secretary

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

5. Duties And Responsibilities

1. To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments thereof and/or the appointment of directors, as the Nominating Committee deems necessary;
2. To consider, in making its recommendations, candidates for directorships proposed by the Chairman/Managing Director of the Company and within the bounds of practicability as well as to make recommendations to put in place the plans for succession;
3. To assist the Board to review the required mix of skills and experience and other qualities including core competencies which non-executive directors should bring to the Board and to assess the effectiveness of the Board, any other committees of the Board and the contributions of each individual director of the Company on an annual basis or as when required by the Board;

4. To recommend to the Board for continuation or discontinuation in service of directors as an executive director or non-executive director;
5. To recommend directors who are retiring by rotation to be put forward for re-election;
6. To recommend to the Board the engagement of the services of such adviser as it deems necessary to fulfill the Board's responsibilities;
7. To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time; and
8. To review on annual basis the term of office and performance of the audit committee and each of its members.

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 Nominating 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.

7. Retirement & Resignation

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board of Directors shall within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.