

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

Board Diversity Policy

Purpose

The Board Diversity Policy (“the Policy”) sets out Mlabs’ approach to diversity on the Board of Directors of Mlabs Systems Berhad (“Board”) (“Mlabs” or “Company”).

Policy Statement

- (a) The Board recognises that diversity in its composition is critical in ensuring its effectiveness and good corporate governance. A truly diverse board will include and make use of the variation in the age, skills, experience, cultural background, gender, ethnicity and nationality of its members to ensure effective governance and robust decision making by the Board, in the areas of telecommunications, strategy, finance, business, legal, general management, sales and marketing, to name a few. The Company is committed to harnessing diversity in the key areas of age, skills, experience, background, gender, ethnicity and nationality in determining the optimal balance of size and mix to function effectively.
- (b) All board appointments are made on merit, in line with the standards set out the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), wherein a director must meet the criteria of character, experience, integrity, competence and time to effectively discharge his or her respective roles as directors.
- (c) The Nominating Committee (“Committee”), on behalf of the Board, reviews and assesses the Board matrix and composition and is tasked with recommending potential candidates for Directorship, annually reviewing the Board’s effectiveness with a view to determining the competencies, commitment, contribution and performance of each director, the Board as a whole, each of the Committees, and reviewing the Board’s succession plans.
- (d) In reviewing the Board’s composition, the Committee will assess and evaluate current diversity levels, identify and analyse gaps and criteria for new board appointments, and thereafter recommend to the Board strategies, objectives, targets and practical goals against an indicative time frame in order to maintain an appropriate range and balance of skills, experience and background on the Board.

Strategies

Mlabs’ diversity strategies include:

- (a) reviewing succession plans to ensure an appropriate focus on diversity of age, skill, experience, cultural background and gender;
- (b) identifying potential candidates for directorship from a diverse pool of candidates;
- (c) identifying specific factors within the nomination and selection processes to encourage diversity; and

(d) any other strategies the Board may develop from time to time.

Monitoring and Reporting

The Nominating Committee is responsible for monitoring the scope and progress towards the achievement of the measurable objectives established by the Board.

The Board will, where appropriate, report in the corporate governance section of the Company's Annual Report on progress made towards achieving those targets and objectives.

Review of this Policy

This Policy will be reviewed periodically and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.