

LOTUS KFM BERHAD

Registration No.: 198401007083 (119598-P)

NOMINATING COMMITTEE'S TERMS OF REFERENCE

A. COMPOSITION

The Nominating Committee ("NC") shall be appointed by the Board of Directors from its Board members and shall consist of not less than 2 members of which comprising exclusively non-executive directors and majority independent directors.

In the event of any vacancy in the Committee the Board shall ensure the vacancy is being filled up within three (3) months.

B. CHAIRMAN

The NC is chaired by an Independent Director or the Senior Independent Director.

As chair of the NC, the Independent Director or a Senior Independent Director shall:-

- lead the succession planning and appointment of board members, including the future Chairman and CEO; and
- lead the annual review of board effectiveness, ensuring that the performance of each individual director is independently assessed.

C. QUORUM

The quorum of the meeting shall be 2 members of whom the majority of members present shall be Independent Non-Executive Directors.

D. SECRETARY

The Company Secretary shall be the Secretary to the NC.

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E. FUNCTIONS

The Committee shall meet at least annually and to carry out the following functions and report to the Board:-

- i. recommend the nomination of a person or persons for all directorships;
- ii. Consider, in making its recommendations, candidates for directorships proposed by existing board members, management or major shareholders as well as utilise independent sources to identify suitably qualified candidates;
- iii. recommend to the board, directors to fill the seats on board committees;
- iv. identify, evaluate and recommend candidates for appointment as Company Secretary;
- v. assess annually and disclose how the effectiveness of the board as a whole, the committees of the board and the contribution of each existing individual director in the Annual Report;
- vi. Review annually the Board and senior management diversity in skill, experience, age, cultural background and gender;
- vii. Recommend the Directors for re-election to the Board, based on the individual Directors' annual assessment result to ensure that the performance of the retiring directors is satisfactory; and
- viii. Recommend the training needs of these Board members based on the result of the performance annual assessment.

F. ACCESS TO ADVICE

Subject to the approval of the Board the Nomination Committee is authorized to seek independent professional advice, if necessary, to review the performance assessment of the Board and Senior Management at the expense of the Company.