

LOTUS KFM BERHAD [198401007083 (119598-P)]

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. COMPOSITION

The composition of Nomination Committee of Lotus KFM Berhad (“the Company”) (“NC” or “Committee”) shall be appointed by the Board of Directors of the Company (“Board”) from among its members and comprising exclusively of Non-Executive Directors, a majority of whom must be Independent Non-Executive Directors.

2. CHAIRMAN

The Committee shall elect a Chairman from amongst its members who shall be an Independent Non-Executive Director and the elected Chairman of the Committee shall be approved by the Board.

In the event that the elected Chairman is not able to attend the Committee meeting, a member of the Committee shall be nominated as Chairman for the meeting.

3. MEETINGS OF THE COMMITTEE

i. Meetings

The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. In the event issues requiring the Committee’s decision arise between meetings, such issues shall be resolved through circular resolution. Such circular resolution in writing shall be valid and effectual if it is signed or approved by letter, facsimile or any electronic means by a majority of the members of the Committee.

For the Committee’s meetings (except in the case of an emergency), reasonable notice shall be given in writing to all the Members of the Committee.

Other Board members and senior management may be invited to attend the Committee meetings.

ii. Quorum

A minimum of two (2) members shall form the quorum.

iii. Secretary of the Committee

The Company Secretary shall be the secretary of the Committee.

iv. Minutes of the Committee Meeting

Every meeting of the Committee must be minuted either by the Company Secretary or any other person approved by the Committee and such minutes must be confirmed by the Committee at the next succeeding Committee meeting.

The Minutes of each meeting signed by the Chairman of that meeting or by the Chairman of the next succeeding meeting shall be evidence of the proceedings that the meeting was duly convened and held.

4. CIRCULAR RESOLUTION

A resolution in writing signed by a majority of the Committee members, for the time being, shall be as valid and effectual as if is signed or approved by letter, facsimile or any electronic means by the Committee members. Any such resolution may consist of several documents in like form (prepared and circulated by facsimile or electronic mail or other communication modes/equipment), each signed by one (1) or more Committee members. An approval by letter or other written means of a proposed resolution in writing (which has been prepared and circulated as aforesaid) signed by a Committee member and sent by him/her by facsimile or electric mail or other communication modes/equipment shall be deemed to be a document signed by him/her.

5. FUNCTIONS

The functions of the Committee are as follows:

- i. To consider and recommend to the Board suitable candidates for appointment as Directors of the Company. The Committee shall nominate or appoint a gender diverse Board. In making a recommendation to the Board on candidates for directorship, the Committee should consider the candidates:-
 - a. skills, knowledge, expertise and experience;
 - b. professionalism;
 - c. integrity; and
 - d. in the case of candidates for the position of Independent Non-Executive Director, the committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.

The Committee may utilise independent sources to identify a suitably qualified candidate.

- ii. To evaluate the required mix of skills, experience, core competencies, diversity (in terms of age, cultural background and gender) of the Board, the Board Committees and the contribution and performance of the individual Directors for the effective and efficient functioning of the Board and the Board Committees.
- iii. To review the size, structure, balance and composition of the Board and the Board Committees.
- iv. To identify core competence, skills and other qualities required by the Non-Executive Directors that are essential to contribute towards the effectiveness and balance of the Board.
- v. To review and evaluate the contributions made by each member of the Board and Chairman of the Board, including Independent Non-Executive Directors and the chief executive officer in terms of his experience, knowledge, credibility and credentials and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
- vi. To examine the ability of each Director to contribute to the effective decision-making process of the Board and ensure that the Board of the Company is functioning actively, efficiently and effectively in all its decision-making.

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Terms of Reference of the Nomination Committee – cont'd

- vii. To review annually, the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee and each of its members have carried out their duties in accordance with their terms of reference.
- viii. To evaluate annually the effectiveness of the Board and the Board Committees as a whole for assessing the contribution to the effectiveness on the decision-making process of the Board.
- ix. To review and assess the independence of the Independent Non-Executive Directors of the Company.
- x. To consider and recommend the Independent Non-Executive Directors beyond nine (9) years for continuation in office, having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required.
- xi. To oversee the development of succession planning of the Board and senior management.
- xii. To carry out such other functions or assignments as may be delegated by the Board from time to time.

6. REPORTING RESPONSIBILITIES

- i. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.
- ii. The Committee shall make whatever recommendations to the Board it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.
- iii. The Committee shall report to the Board on its activities, based on its Terms of Reference.

7. GENERAL MEETINGS

The Chairman of the Committee should attend the general meetings to answer to questions relating to the Committee's activities.

This new Terms of Reference (Version No. 1) was adopted by the Board of the Company on 20 August 2021.