

LOTUS KFM BERHAD

Registration No.: 198401007083 (119598-P)

REMUNERATION COMMITTEE'S TERMS OF REFERENCE

A. COMPOSITION

The Remuneration Committee ("RC") 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 Chairman shall be elected by the Committee from among their members.

C. SECRETARY

The Company Secretary shall act as Secretary of the RC.

D. FUNCTIONS

RC shall in consideration of the Board's remuneration policy review, recommend and report to the Board:-

- a) the remuneration packages of all Board members in all its forms, drawing from outside advice if necessary;
- b) the remuneration packages and allowances of members of the Board's committees;
- c) the recommendations from Executive Directors on the terms and conditions of service, remuneration, compensation and benefits package (including bonus and salary increment) of key senior management; and
- d) such other matters as may be delegated by the Board from time to time.

Directors who are shareholders should abstain from voting at general meetings to approve their fees and should not be involved in deciding their own remuneration.

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E. MEETINGS AND MINUTES

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

- a) The RC shall meet at least annually or as and when there are matters referred to them for consideration or a member may at any time and the Secretary shall on the requisition of a member, summon a meeting of the Committee.
- b) Other Board members or other appropriate officers may attend meetings upon the invitation of the RC.
- c) Issues discussed and actions recommended by the RC shall be presented and reported to the Board for decision.

F. ACCESS TO ADVICE

Subject to the approval of the Board the RC is authorized to seek independent professional advice, if necessary, to review the remuneration of the Board and Senior Management at the expense of the Company.