

# LOTUS KFM BERHAD [198401007083 (119598-P)]

## TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

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### 1. COMPOSITION

The composition of Remuneration Committee of Lotus KFM Berhad (“the Company”)(“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. Frequency

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 may be resolved through written resolutions of the Committee. Such written 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 members of the Committee pursuant to the Constitution of the Company.

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.

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## 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 review and recommend to the Board the appropriate remuneration packages for the Directors of the Company, with or without seeking professional advice.
- ii. To review and recommend to the Board the fees and benefits payable to the Directors.
- iii. To assist the Board to formulate policies, guidelines and set composition of various types of components of remuneration such as basic salary, bonus and other benefits in kind for the Directors and key senior management of the Company.
- iv. To assist the Board to ensure that the remuneration packages and benefits given to the Directors and Key Senior Management are in line with the Company's remuneration policy and complying with all laws, rules, requirements, regulations and guidelines set by the relevant authorities and the Board from time to time.
- v. To assist the Board to ensure that the remuneration policy put in place are fair and implemented through a transparent process.
- vi. To assist the Board to ensure that the level of remuneration packages are fairly and appropriately remunerated according to the general market sentiments or conditions.
- vii. To ensure all necessary actions are taken expediently by the Board to offer appropriate rewards, benefits, compensation and remuneration and to ensure that the levels of remuneration are sufficiently attractive to retain the Directors and structuring the remuneration packages to link rewards to the individual performance.
- viii. To carry out any other function that may be delegated by the Board which would be beneficial to the Company and ensures the effective discharge of the Committee's duties and responsibilities.

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## 6. REPORTING RESPONSIBILITIES

- i. The Chairman of the Committee 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.