

**DUTCH LADY MILK INDUSTRIES BERHAD
(5063-V)**

REMUNERATION POLICY OF THE NOMINATING & REMUNERATION COMMITTEE

1. In determining the level of remuneration, the Nominating & Remuneration Committee will take into account all factors which it deems necessary in order to attract, retain and motivate the Directors and senior management (Managing Director) of high calibre who are able to provide the necessary skills and experience as required. The level of remuneration shall be commensurate with the responsibilities for the effective management and operations of the Company and should also be in alignment with the business strategy and long-term objectives of the Company.
2. Notwithstanding the above, the Nominating & Remuneration Committee will adopt the remuneration policies, proposals and recommendations from the holding company, Royal FrieslandCampina N.V., for its Executive Directors, which is applicable within the RFC Group of Companies.
3. No Director other than the Managing Director and Executive Directors shall have a service contract with the Company.
4. A formal review of Non-Executive Directors' remuneration may be undertaken annually. This review shall take into consideration the level of remuneration offered by listed companies of similar size, complexity and risk profile as the Company. The review of remuneration shall cover Directors' Fees, Committee Members' Fees, Meeting Allowances and other benefits normally extended to Non-Executive Directors.
5. The Nominating & Remuneration Committee shall have access to professional advice on remuneration matters both within the Group and from external specialists in this field.
6. A detailed disclosure on a named basis of the remuneration of individual Directors shall appear in the Company's Annual Report to achieve transparency and accountability in the setting of Directors' remuneration, having regard to the interest of all parties including the Company, the Directors and the shareholders. The remuneration of the members of the Management Team shall be disclosed in the Annual Report on an aggregated basis.
7. Directors who are shareholders shall abstain from voting at general meetings to approve their own fees.

Dated: 21 November 2019