

**DUTCH LADY MILK INDUSTRIES BERHAD
REGISTRATION NO. 196301000165 (5063-V)**

**TERMS OF REFERENCE OF THE NOMINATING & REMUNERATION
COMMITTEE OF THE BOARD**

1. The Nominating & Remuneration Committee comprises only of Non-Executive Directors, a majority of whom are Independent Directors. The Chairperson of the Board shall not be a member of the Nominating & Remuneration Committee.
2. The Nominating & Remuneration Committee Members shall elect a Non-Executive Director from amongst them as its Chairperson.
3. The quorum for the Nominating & Remuneration Committee shall be at least two (2) members present at the meeting.
4. The Company Secretary of the Company shall act as the Secretary of the Nominating & Remuneration Committee.
5. The Nominating & Remuneration Committee's primary responsibilities includes:-
 - a) To study and periodically review and implement policies and procedures governing the remuneration for Non-Executive Directors ;
 - b) To make recommendations to the Board on the remuneration and terms of employment for Non-Executive Directors and will adopt the remuneration policies, proposals and recommendations from the holding company, Royal FrieslandCampina N.V., for its Executive Director(s), which is applicable within the RFC Group of Companies;
 - c) Leading the process for Board appointments and making recommendations to the Board;
 - d) Assessing the effectiveness of the Board as a whole, the Committees of the Board and the individual Directors on an on-going basis; and
 - e) Annually reviewing the required skills and core competencies of Non-Executive

Directors, including familiarisation with the Company's operations.

6. Duties

The Nominating & Remuneration Committee will:-

- a) Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- b) Evaluate the balance of skills, knowledge and experience on the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment of Director.
- c) Review the time required from a Non-Executive Director. The performance evaluation should be used to assess whether the Non-Executive Director is spending enough time to fulfil their duties.
- d) Consider candidates from a wide range of professions backgrounds and look beyond the "usual selection criteria".
- e) Give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are needed on the Board in the future.
- f) Regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regards to any changes.
- g) Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- h) Review the tenure of each Director when assessing the annual re-election of a Director, to ensure that the renewal is contingent on a satisfactory evaluation of the Director's performance and contribution to the Board.
- i) To also review the Board's performance in addressing the Company's material sustainability risks and opportunities when reviewing the performance of the Board.
- j) Annually review the term of office and performance of the Audit & Risk Committee and each of its members annually to determine whether the Audit & Risk Committee and members have carried out their duties in accordance with



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their terms of reference.

7. The Nominating & Remuneration Committee will make the following recommendations to the Board:
 - a) As regards plans for succession for Directors to maintain an appropriate balance of skills on the Board;
 - b) As regards the re-appointment of any Non-Executive Director at the conclusion of their specified term of office;
 - c) Concerning the re-election by shareholders of any Director under the retirement by rotation provisions in the Company's Constitution;
 - d) Concerning any matters relating to the continuation in office of any Director at any time; and
 - e) Concerning the appointment of any Director to executive or other office other than to the positions of Chairperson and MD, the recommendation for which would be considered at a meeting of the Board.

8. In the event the Board appoints a new Chairperson, the Nominating & Remuneration Committee will be guided by the following principles prior to making recommendations to the Board:-
 - a) That the Chairperson leads the appointment process.
 - b) That a systematic evaluation be undertaken to identify the skills and expertise required for the role.
 - c) That all short-listed candidates be considered with the possibility of obtaining external advice, if necessary.

Dated: 25 November 2021

