

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

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

A. Composition

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, who shall be an Independent Director or the Senior Independent Director.
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.

B. Purpose

5. The primary purpose of the Nominating & Remuneration Committee is to carry out the following:
 - (i) lead the succession planning and appointment of Board members, including the future Chairperson;
 - (ii) lead the annual review of the effectiveness of the Board;
 - (iii) lead the annual review of the Directors' remuneration; and
 - (iii) ensure that the performance of each individual Director is assessed by external consultants on a periodic basis.

C. Duties and Responsibilities

6. Responsibilities

The Nominating & Remuneration Committee's primary responsibilities includes: -

- a) To study and periodically review and implement policies and procedures governing the Directors' remuneration – and to make recommendations to the Board on the remuneration of the Directors in accordance with the terms of the Nominating & Remuneration Committee's Remuneration Policy;
- b) Leading the process for appointments to positions in the Board and Board Committees (other than to the positions of Chairperson and MD) and making recommendations to the Board for such appointments;
- c) Assessing the effectiveness of the Board as a whole, the Committees of the Board and the individual Directors on an on-going basis;



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- e) 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 their terms of reference;
- f) Ensure that the other directorships held by the Directors in other public or private companies are not in competition with the Company.
- g) Review any request from an Executive Director to take on non-executive directorships in another public listed company, unless such company is part of the FC Group, for recommendation to the Board; and
- h) Annually reviewing the required skills and core competencies of Directors, including familiarisation with the Company's operations.

7. 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 Director. The performance evaluation should be used to assess whether the 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) To also review the Board's performance in addressing the Company's material sustainability risks and opportunities when reviewing the performance of the Board.
- h) Assess each candidate for a new appointment or re-appointment of Directors by taking into account the self-assessment and self-declaration given by each candidate on the criteria under Paragraph 2.1. of the Directors' Fit and Proper Policy.
- i) Also assess each candidate for the appointment of a new Independent Director with reference to the necessary checks carried out by the Company and/or recruitment agency with regards to the candidate's background, education qualifications, work experience, bankruptcy status, previous convictions for offences, etc.





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8. Appointment of new Chairperson

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: 19 November 2024

