

# **Muyuan Foods Co., Ltd.**

## **Terms of Reference of the Nomination Committee of the Board of Directors**

(Applicable after listing of H Shares)

### **Chapter 1 General Provisions**

**Article 1** In order to regulate the selection of the Company leadership personnel, optimize the composition of the Board of Directors and improve the corporate governance structure, pursuant to the Company Law of the People's Republic of China, Corporate Governance Code for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, normative documents and the Articles of Association of Muyuan Foods Co., Ltd. (hereinafter referred to as the "Articles of Association") and other relevant regulations, the Board of Directors has established the Nomination Committee and formulated these Terms of Reference.

**Article 2** The Nomination Committee of the Board of Directors is a specialized working body under the Board of Directors, which is mainly responsible for studying and providing recommendations on the candidates for Directors (including independent non-executive Directors, the same as below), and senior management members of the Company and formulating the selection criteria and procedures.

### **Chapter 2 Composition**

**Article 3** The Nomination Committee consists of at least three Directors, of whom the majority are independent non-executive Directors. Members shall include at least one Director of different gender.

**Article 4** The Nomination Committee shall have one chairman (convener), who shall be an independent non-executive Director and be selected by the Committee. The chairman of the Committee is responsible for convening and presiding over the work of the Committee.

**Article 5** The members of the Nomination Committee shall be nominated by the Chairman of the Board of Directors, more than half of the independent non-executive Directors, or one-third of all Directors, and elected by the Board of Directors.

**Article 6** The term of office of the Nomination Committee shall be consistent with that of the Board of Directors. Members of the Committee may be re-elected upon expiry of their terms. Should any member cease to serve as a Director of the Company during their term, he/she will automatically lose the qualifications to be a member of the Committee and the vacancy shall be filled by the Board of Directors according to the preceding provisions of Articles 3 to 5.

### **Chapter 3 Duties and Powers**

**Article 7** The Nomination Committee of the Board of Directors of the Company shall perform the following main duties:

- (I) studying criteria and procedures for selecting Directors and senior management members, and providing recommendations;

- (II) selecting and nominating qualified candidates for Directors and senior management members, and advising the Board of Directors on the appointments and removals of Directors;
- (III) reviewing on candidates for Directors and senior management members, and providing recommendations;
- (IV) assisting the Company in assessing the Board of Directors' performance on a regular basis, and at least annually, on the structure, size, and composition of the Board of Directors, including in terms of skills, knowledge, diversity policy and experience, assisting the Board of Directors in maintaining a board skills matrix, and recommending changes to the Board of Directors to align with the Company's strategy;
- (V) developing and maintaining a Board of Directors diversity policy, and disclosing the relevant policy or a summary of the policy on diversity in the Company's corporate governance report, and disclosing the relevant policy or a summary of the policy on diversity in the Corporate Governance Report in the annual report each year;
- (VI) identifying individuals suitably qualified to become Board members, and selecting or making recommendations to the Board of Directors on the selection of individuals nominated for directorships;
- (VII) evaluating the independence of independent non-executive Directors, and evaluating the number of directorships of other listed companies held by candidates to be nominated as the independent non-executive Directors of the Company;
- (VIII) advising the Board of Directors on the appointment or re-appointment of Directors and succession planning for Directors (in particular the chairman of the Board of Directors and the chief executive officer);
- (IX) responsible for other matters required by laws and regulations, the securities regulatory rules of the place where the Company's share are listed, the Articles of Association and as authorized by the Board of Directors.

The Board of Directors shall record and disclose in its resolutions the opinion of the Nomination Committee and the specific reasons for not adopting or fully adopting the recommendations of the Nomination Committee.

**Article 8** Selection procedures for Directors and senior management members are as follows:

- (I) the Nomination Committee shall actively communicate with the relevant departments of the Company, study the Company's demand for new Directors and senior management members, and produce written materials in respect thereof;
- (II) the Nomination Committee may extensively search for candidates for Directors and senior management members internally within the Company and its holding (participating) companies and from the labor market;
- (III) collecting information on the occupation, education, job title, detailed work experience and all part-time jobs of the preliminary candidates, and producing written materials in respect thereof;

- (IV) listing the nominees as candidates for Directors or senior management members after obtaining their consent to the nomination;
- (V) convening a meeting of the Committee to review the qualifications of the preliminary candidates according to the job requirements of Directors and senior management members;
- (VI) submitting proposals and relevant materials to the Board of Directors on the candidates for Directors and new senior management members prior to the election of new Directors and the appointment of new senior management members;
- (VII) carrying out relevant follow-up work according to the decisions and feedback of the Board of Directors.

**Article 9** Relevant departments of the Company shall cooperate with the Nomination Committee to perform its duties. Expenses to be incurred shall be borne by the Company.

#### **Chapter 4 Convening and Notices of Meetings**

**Article 10** The meetings of the Nomination Committee shall be convened and chaired by the convener (chairman). In the event that the convener of the Nomination Committee is unable or refuses to perform his/her duties, a member who is an independent non-executive Director shall be appointed to perform such duties on behalf of the convener.

**Article 11** The convener shall notify all members three days before the meeting via telephone, fax, postal service, e-mail or direct delivery. In urgent circumstances requiring an emergency meeting, the meeting may be convened at any time, but the convener shall provide an explanation at the meeting.

#### **Chapter 5 Rules of Procedure and Voting**

**Article 12** Meetings of the Nomination Committee shall be held only when more than two-thirds of the members are present.

Directors of the Company who are not members of the Committee may attend the meetings of the Nomination Committee but shall not have voting rights on proposals tabled at the meeting.

**Article 13** Members of the Nomination Committee may attend the meeting in person or appoint another member to attend and vote at the meeting on his/her behalf.

A member of the Nomination Committee can only appoint one other member at a time to exercise the voting rights on his/her behalf.

**Article 14** Members of the Nomination Committee shall in principle attend meetings in person. If a member is unable to attend the meeting for any reason, he/she shall review the meeting materials in advance, formulate a clear opinion, and appoint another member in writing to attend the meeting on his/her behalf.

A letter of authorization shall indicate:

- (I) the names of the appointing party and his/her proxy;
- (II) brief opinions on every proposal made by the appointing party;
- (III) the scope of authorization of the appointing party and his/her instructions on voting intention in respect of the proposals;
- (IV) the signature of the appointing party and the date, etc.

The member so appointed shall submit a letter of authorization to the convener of the meeting, stating the details of such appointment in the meeting sign-in book.

**Article 15** A member of the Nomination Committee who does not attend a meeting in person or appoint another member to attend on his/her behalf shall be considered to be absent from such meeting.

If a member of the Nomination Committee fails to attend the meeting for two consecutive times, such member shall be deemed to have failed to perform his/her duties properly, and may be removed from his/her office as a member of the Committee by the Board of Directors.

**Article 16** The meetings of the Nomination Committee may be held in the form of on-site meetings or off-site meetings by way of communication voting.

**Article 17** Resolutions made by the Nomination Committee shall not be valid unless passed by more than half of all members (including those who are not present) voting thereon. A member of the Nomination Committee shall abstain from voting if he/she has a conflict of interest in the matters considered at the meeting. When a valid opinion cannot be formed by deliberation due to the withdrawal of a member of the Nomination Committee, the Nomination Committee shall submit such matter to the Board of Directors for consideration.

Resolutions of the Nomination Committee are voted on by way of poll with each member having one vote.

**Article 18** Matters proposed at the Nomination Committee meeting are subject to collective consideration and voting on a case-by-case basis, i.e. all the proposals are considered by all members present and then are put to a vote one by one according to the order of consideration.

**Article 19** The Nomination Committee may, if considered necessary, invite other persons in connection with the proposals to attend the meeting to provide detailed information or express their opinions. Those who are not members of the Nomination Committee, however, do not have voting rights on the proposals.

**Article 20** Voting at the meetings of the Nomination Committee shall be conducted by way of registered ballot, and the voting options include for, against or abstain.

## **Chapter 6 Resolutions and Minutes of Meetings**

**Article 21** Each proposal on which a prescribed number of valid votes are cast shall become a resolution of the Nomination Committee upon announcement by the chairman of the meeting.

The resolutions of the Nomination Committee come into effect after being signed by the members present at the meeting. No modification or alteration shall be made to the resolutions of the Nomination Committee that have become effective without going through the legitimate procedures as required by laws, regulations, the Articles of Association and these Terms of Reference.

**Article 22** Minutes of the meetings of the Nomination Committee shall be recorded. Committee members who attend the meeting and the person who takes the minutes shall both sign their names. Committee members present at the meeting have the right to request their explanatory remarks on his or her speech at the meeting to be recorded in the minutes.

**Article 23** The proposals and voting results passed at the meetings of the Nomination Committee shall be submitted to the Board of Directors in writing.

**Article 24** The meeting minutes and written documents of the resolutions of the Nomination Committee shall be kept by the Company as the Company's archives. During the period of continued existence of the Company, the retention period shall not be less than 10 years. The draft minutes (for members to express opinions) and the final version (for record) shall be sent to all Committee members within a reasonable time after the meeting. Directors of the Company may review the minutes with reasonable notice within a reasonable timeframe.

**Article 25** All members attending the meetings and relevant personnel present at the meetings are bound by confidentiality regarding the matters discussed at the meetings and must not disclose any related information without authorization.

## **Chapter 7 Supplementary Provisions**

**Article 26** In case of matters not covered in these Terms of Reference, relevant laws, regulations, rules, normative documents, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and other relevant provisions shall apply. In the event of any conflict between these Terms of Reference and any laws, regulations, rules and normative documents promulgated hereafter, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association as amended under lawful procedures, the relevant laws, regulations, normative documents, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association shall prevail, and these Terms of Reference shall be amended in a timely manner.

**Article 27** These Terms of Reference are a part of the internal policies of the Company. No one may claim any rights or obtain any benefits or compensation from the Company or any Directors, senior management or other employees of the Company in accordance with these Terms of Reference.

**Article 28** These Terms of Reference shall be interpreted by the Board of Directors of the Company.

**Article 29** These Terms of Reference shall come into effect and be implemented upon approval by the Board of Directors and from the date of listing of the Company's H Shares issued by the Company on The Stock Exchange of Hong Kong Limited.

Muyuan Foods Co., Ltd.