

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

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

### **Chapter 1 General Provisions**

**Article 1** In order to meet the needs of strategic development of the Company, strengthen the core competitiveness of the Company, determine development plans of the Company, improve decision-making procedures, make decisions in a more scientific way, and improve the quality of major decisions, the Board of Directors of the Company established the Strategy Committee and formulated these Terms of Reference in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Articles of Association of Muyuan Foods Co., Ltd. (hereinafter referred to as the "Articles of Association"), and other relevant regulations.

**Article 2** The Strategy Committee is a specialized working body under the Board of Directors, which shall perform its duties in accordance with the Articles of Association and the authorization of the Board of Directors. Its principal duties are to conduct research and to submit proposals regarding the long-term development strategies and material investment decisions of the Company.

### **Chapter 2 Composition**

**Article 3** The Strategy Committee shall be composed of at least three Directors, including at least one independent Director. The Strategy Committee shall have one chairman (convener), who shall be the Chairman of the Board of the Company.

**Article 4** The members of the Strategy Committee shall be nominated by the Chairman of the Board of Directors, more than half of the independent Directors, or one-third of all Directors, and elected by the Board of Directors.

**Article 5** The term of office of the Strategy 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 4.

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

**Article 6** The Strategy Committee shall perform the following main duties:

- (I) to study and make recommendations on the medium and long-term development strategies of the Company;
- (II) to review and provide recommendations on major investment and financing plans that require approval from the Board of Directors as stipulated in the Articles of Association;
- (III) to study and provide recommendations on major capital operations and asset management projects requiring approval from the Board of Directors as stipulated in the Articles of Association;

- (IV) to study and propose recommendations on other major matters affecting the Company's development;
- (V) to inspect the implementation of the above matters;
- (VI) to handle other matters authorized by the Board of Directors.

**Article 7** The Strategy Committee shall be accountable to the Board of Directors. Proposals made by the Strategy Committee shall be submitted to the Board of Directors for consideration and approval.

**Article 8** Relevant departments of the Company shall cooperate with the Strategy Committee to perform its duties. Expenses to be incurred shall be borne by the Company.

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

**Article 9** The meetings of the Strategy Committee shall be convened and chaired by the convener (chairman). In the event that the convener of the Strategy Committee is unable or refuses to perform his/her duties, a member who is an independent Director shall be appointed to perform such duties on behalf of the convener.

**Article 10** 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 Consideration and Voting Procedures**

**Article 11** Meetings of the Strategy 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 Strategy Committee but shall not have voting rights on proposals tabled at the meeting.

**Article 12** Members of the Strategy 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 Strategy Committee can only appoint one other member at a time to exercise the voting rights on his/her behalf.

**Article 13** Members of the Strategy 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 14** A member of the Strategy 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 Strategy 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 15** The meetings of the Strategy Committee may be held in the form of on-site meetings or off-site meetings by way of communication voting.

**Article 16** Resolutions made by the Strategy 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 Strategy 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 Strategy Committee, the Strategy Committee shall submit such matter to the Board of Directors for consideration.

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

**Article 17** Matters proposed at the Strategy 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 18** The Strategy 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 Strategy Committee, however, do not have voting rights on the proposals.

**Article 19** Voting by the Strategy 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 20** Each proposal on which a prescribed number of valid votes are cast shall become a resolution of the Strategy Committee upon announcement by the chairman of the meeting.

The resolutions of the Strategy 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 Strategy 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 21** Minutes of the meetings of the Strategy 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 22** The proposals and voting results passed at the meetings of the Strategy Committee shall be submitted to the Board of Directors in writing.

**Article 23** The meeting minutes and written documents of the resolutions of the Strategy 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.

**Article 24** 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 25** In case of matters not covered in these Terms of Reference, relevant laws, regulations, rules, normative documents, 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, or the Articles of Association as amended under lawful procedures, the relevant laws, regulations, rules, normative documents, and the Articles of Association shall prevail, and these Terms of Reference shall be amended in a timely manner.

**Article 26** 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 27** These Terms of Reference shall be interpreted by the Board of Directors of the Company.

**Article 28** These Terms of Reference shall come into effect and be implemented upon consideration and approval by the Board of Directors of the Company.

Muyuan Foods Co., Ltd.