

JIANGXI QIYUNSHAN FOOD CO., LTD.
TERMS OF REFERENCE OF THE REMUNERATION AND
APPRAISAL COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER I GENERAL RULES

Article 1 In order to further establish and improve the appraisal and remuneration management system for the directors and senior management of Jiangxi Qiyunshan Food Co., Ltd. (hereinafter referred to as the “**Company**”), and to optimize the corporate governance structure, the Company has established the Remuneration and Appraisal Committee of the Board of Directors and formulated these Terms of Reference in accordance with the relevant laws, regulations, and normative documents including the Company Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”), and the Articles of Association of Jiangxi Qiyunshan Food Co., Ltd. (hereinafter referred to as the “**Articles of Association**”).

Article 2 The Remuneration and Appraisal Committee is a specialized working organization under the Board of Directors in accordance with the Articles of Association, primarily responsible for researching and formulating the appraisal standards for the directors and senior management of the Company, conducting appraisals and providing recommendations; and responsible for researching, formulating and reviewing the remuneration policies and schemes for the directors and senior management of the Company.

Article 3 For the purpose of these Terms of Reference, “Directors” refers to the directors who receive remuneration from the Company, and “Senior Management” refers to the General Manager, Deputy General Managers, Secretary to the Board of Directors, and person in charge of finance appointed by the Board of Directors.

Article 4 For the purpose of these Terms of Reference, “remuneration” refers to the compensation paid by the Company to directors and senior management, including annual salaries, bonuses, and other benefits.

CHAPTER II COMPOSITION

Article 5 The Remuneration and Appraisal Committee shall comprise three Directors, a majority of whom shall be independent Directors.

Article 6 The members of the Remuneration and Appraisal Committee shall be nominated by the Chairman of the Board of Directors, more than half of the independent directors or more than one-third of all directors, and shall be elected by the Board of Directors.

Article 7 The Remuneration and Appraisal Committee shall have a chairman who shall serve as the convener of the Committee and shall be an independent Director responsible for convening and chairing the work of the Committee; the chairman shall be elected from among the members and shall be reported to the Board of Directors for approval.

Article 8 The term of office of the Remuneration and Appraisal Committee shall be consistent with the term of office of the Board of Directors. Upon the expiry of the term of office, a member shall be eligible for re-election and re-appointment. During the term, if any member no longer serves as a director of the Company, such member shall automatically lose his/her qualification as a member, and the number of members shall be supplemented by the Board of Directors in accordance with relevant regulations.

CHAPTER III DUTIES AND AUTHORITIES

Article 9 The Remuneration and Appraisal Committee of the Board of Directors of the Company is responsible for formulating appraisal standards for directors and senior management and conducting appraisals, formulating and reviewing the remuneration policies and schemes for directors and senior management, and making recommendations to the Board of Directors on the following matters, specifically including:

- (1) to make recommendations to the Board of Directors on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for the formulation of the remuneration policy;

- (2) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives set by the Board of Directors;
- (3) to determine, with delegated responsibility from the Board of Directors, the remuneration packages of individual executive directors and senior management; or to make recommendations to the Board of Directors on the remuneration packages of individual executive directors and senior management where the Board of Directors has not delegated such responsibility. This shall include benefits in kind, pension rights and compensation payments, including any compensation for loss or termination of office or appointment;
- (4) to make recommendations to the Board of Directors on the remuneration of non-executive directors (including independent non-executive directors), board advisors (if any), and members of the board committees;
- (5) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries and branch offices (collectively, the "**Group**");
- (6) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (7) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (8) to ensure that no director or any of his/her associates (as defined in the Hong Kong Listing Rules) is involved in determining his/her own remuneration;
- (9) to review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules;
- (10) to formulate remuneration plans or proposals based on factors such as the main scope of work, duties and importance of the management positions of directors and senior management, as well as the remuneration levels of relevant positions in society;

- (11) remuneration plans and schemes shall include, but not be limited to, performance evaluation criteria, procedures and the main evaluation system, and the main reward and punishment schemes and systems;
- (12) to review the performance of and carry out an annual performance appraisal of the independent non-executive directors and senior management of the Company;
- (13) to supervise the implementation of the remuneration system of the Company;
- (14) to perform other matters as prescribed by laws, regulations, normative documents, the Articles of Association and these Terms of Reference, as required by the securities regulatory authorities of the place where the Company's shares are listed, and as authorized by the Board of Directors.

Where the Board of Directors fail to adopt or fully adopt the recommendations from the Remuneration and Appraisal Committee, the opinions of the Remuneration and Appraisal Committee and the specific reasons for non-adoption shall be recorded in the resolutions of the Board of Directors.

Article 10 The Remuneration and Appraisal Committee shall express its opinion on directors' service contracts that are subject to shareholders' approval, advise shareholders as to whether the terms are fair and reasonable, provide opinions on whether such contracts are in the interests of the Company and its shareholders as a whole, and advise shareholders (other than those who are directors with a material interest in such service contracts and their associates) on how to vote. The aforementioned directors' service contracts that require the approval of shareholders include contracts with a term exceeding three years, contracts which provide that the Company must give a notice period of more than one year or pay compensation or other payments equivalent to more than one year's remuneration in order to terminate the contract, or contracts as required by the securities regulatory authorities where the Company's shares are listed. If an independent non-executive director has a material interest in any such contract, such director shall not serve as a member of the independent non-executive director committee.

Article 11 The Board of Directors shall have the right to veto any remuneration plan or scheme that prejudices the interests of the Company or its shareholders.

Article 12 The Remuneration and Appraisal Committee shall be accountable to the Board of Directors. The remuneration plan for the directors of the Company proposed by the Committee shall be subject to the consent of the Board of Directors and the consideration and approval of the general meeting of shareholders before implementation; the remuneration distribution scheme for the senior management of the Company shall be subject to the approval of the Board of Directors before implementation.

Article 13 Subject to the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules, the Remuneration and Appraisal Committee shall exercise such other powers, authorities, and discretions and perform such corresponding duties as may be delegated by the Board of Directors from time to time in relation to determining the remuneration of executive directors, non-executive directors, supervisors, and senior management.

Article 14 When performing its duties in accordance with these Terms of Reference, the Remuneration and Appraisal Committee shall:

- (1) to encourage senior management to establish a remuneration culture that aligns with the overall strategy of the Group and supports the achievement of the Group's vision, mission, and values, and to provide competitive remuneration packages in accordance with market practises to attract, retain, and motivate high-quality executive directors of the Company;
- (2) to consult the Chairman and/or the General Manager about their remuneration proposals for other executive directors and senior management. The Remuneration and Appraisal Committee shall seek independent professional advice where necessary;
- (3) to determine the positioning of the Company's remuneration packages relative to other companies operating in the same industry as the Company, taking into account the levels of remuneration paid by comparable companies, time commitment and responsibilities, and employment conditions for other positions within the Group;

- (4) to closely monitor market practises, including salary and employment conditions within the Company and the industry in which the Company operates, particularly when determining annual salary increments;
- (5) to ensure that a significant proportion of the overall remuneration and benefits of executive directors and senior management is linked to the performance of the Company and the individuals, so as to encourage employee performance, align the interests of employees with those of the shareholders, attract and retain high-calibre talent, and motivate all directors and senior management to provide the highest level of service to the Company;
- (6) to ensure that no director or any of his/her associates (as defined in the Hong Kong Listing Rules) is involved in deciding his/her own remuneration;
- (7) to ensure that share options (if any) granted by the Company to its directors or senior management comply with the requirements of Chapter 17 of the Hong Kong Listing Rules (where applicable) and that the employee incentive schemes of the Company comply with applicable laws and regulations;
- (8) the Remuneration and Appraisal Committee shall work closely with other board committees and communicate with other committees appropriately on a regular basis to ensure timely supervision of the remuneration management of the Company; and
- (9) to upload these Terms of Reference to the websites of the Stock Exchange and the Company, thereby explaining its duties and the powers delegated to it by the Board of Directors.

Article 15 The Remuneration and Appraisal Committee shall have the right to require the senior management of the Company to provide sufficient administrative support for the work of the Remuneration and Appraisal Committee, and shall have independent access to the senior management of the Company.

Article 16 Senior management shall provide the Remuneration and Appraisal Committee with sufficient and appropriate information necessary for the performance of its duties in a timely manner. The Remuneration and Appraisal Committee shall have the right to require any member of the senior management of the Company to respond as promptly and as fully as possible to any questions raised by any member of the Remuneration and Appraisal Committee.

Article 17 The Remuneration and Appraisal Committee may, where appropriate, make reasonable requests to seek independent professional advice for its decision-making, and the relevant expenses shall be borne by the Company. If professional advice from external consultants is required, it shall be commissioned by the chairman of the Committee, and the opinion shall be submitted directly to him/her (independently of senior management).

CHAPTER IV RULES OF PROCEDURE

Article 18 The Remuneration and Appraisal Committee shall hold meetings from time to time each year based on actual needs. When the Remuneration and Appraisal Committee convenes a meeting, all members shall be notified three days prior to the meeting, and the meeting notice shall be accompanied by proposals with complete content. Prior to the convening of a meeting, members shall fully read the meeting materials. Notice of meetings may be given by facsimile, telephone, email, delivery by hand, mail, or other expeditious means. In the event of special circumstances where an immediate resolution by the Remuneration and Appraisal Committee is required, the aforementioned notice period shall not apply if all members agree to waive the notice period; where notice is not given in accordance with the aforementioned notice period, but all members attend and vote, it shall be deemed that all members have agreed to waive the notice period. The chairman shall chair the meetings. If the chairman is absent, he/she may delegate another independent director member to chair the meetings.

Article 19 A meeting of the Remuneration and Appraisal Committee shall not be held unless more than two-thirds of the members are present; each member shall have one vote; and resolutions made at the meeting must be passed by more than half of all members.

Article 20 Members of the Remuneration and Appraisal Committee shall attend meetings of the Remuneration and Appraisal Committee in person. Where a member is unable to attend a meeting in person for any reason, such member shall review the meeting materials in advance, form clear opinions, and appoint another member in writing to attend the meeting and exercise voting rights on his or her behalf, provided that an independent director shall appoint another independent director in writing to attend on his or her behalf. A member of the Remuneration and Appraisal Committee who appoints another member to attend the meeting and exercise voting rights on his or her behalf shall submit a power of attorney to the chairman of the meeting. The power of attorney shall be submitted to the chairman of the meeting no later than before the voting at the meeting.

Article 21 The voting method for meetings of the Remuneration and Appraisal Committee shall be by a show of hands or by poll. Meetings of the Remuneration and Appraisal Committee shall, in principle, be held in person. Provided that all participating members can fully communicate and express their opinions, meetings may be convened by way of video, telephone, or other means in accordance with procedures if necessary. If a meeting is convened by way of video, telephone or other means, members of the Remuneration and Appraisal Committee who sign the resolutions of the meeting shall be deemed to have attended such meeting and agreed to the contents of the resolutions of the meeting.

Article 22 When necessary, the Remuneration and Appraisal Committee may invite directors and senior management of the Company to attend its meetings as non-voting attendees.

Article 23 If necessary, the Remuneration and Appraisal Committee may appoint intermediary institutions to provide professional advice for its decision-making at the Company's expense.

Article 24 When a meeting of the Remuneration and Appraisal Committee discusses matters relating to a member of the Committee, the member concerned shall abstain from voting, and the relevant resolution shall be considered and passed unanimously by the other members.

Article 25 The convening procedure and voting method of the meetings of the Remuneration and Appraisal Committee and the remuneration policies and distribution schemes passed at such meetings shall comply with the relevant laws, regulations, the Articles of Association and these Terms of Reference.

Article 26 Meetings of the Remuneration and Appraisal Committee shall have complete minutes prepared in accordance with regulations. The minutes of the Committee must record in sufficient detail the matters considered and decisions reached by the Remuneration and Appraisal Committee, including any concerns raised or dissenting views expressed by the members. The opinions of the independent directors shall be recorded in the minutes of the meeting, and the members attending the meeting shall sign the minutes for confirmation. Minutes of meetings shall be kept by the office of the Board of Directors of the Company for a period of at least ten years.

Article 27 Resolutions passed by and voting results of the meetings of the Remuneration and Appraisal Committee shall be reported to the Board of Directors of the Company in writing.

Article 28 All members present at the meetings are obliged to keep all items discussed in the meetings confidential and shall not disclose any relevant information without authorization.

CHAPTER V SUPPLEMENTARY PROVISIONS

Article 29 In these Terms of Reference, the terms “above” and “more than” shall include the given figure, and “over” and “exceeding” shall not include the given figure.

Article 30 Any matters not covered in these Terms of Reference shall be handled in accordance with the relevant provisions of national laws and regulations, departmental rules, normative documents, the Hong Kong Listing Rules and the Articles of Association. In the event of any conflict between these Terms of Reference and the provisions of the laws, regulations, departmental rules, normative documents, the Hong Kong Listing Rules and the Articles of Association effective from time to time, the provisions of the laws, regulations, departmental rules, normative documents, the Hong Kong Listing Rules and the Articles of Association effective from time to time shall prevail.

Article 31 The Board of Directors of the Company shall be responsible for the interpretation of these Terms of Reference, which shall come into effect upon consideration and approval by the Board of Directors; the same shall apply to any amendments. Upon consideration and approval by the Board of Directors, these Rules shall come into effect and be implemented from the date on which the H shares of the Company publicly offered are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited. From the date of effectiveness of these Rules, the Company's original Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors shall become null and void automatically. Where these Rules require revision based on changes in actual circumstances, the Remuneration and Appraisal Committee shall propose a draught of amendments and submit the same to the Board of Directors for examination and approval.