

優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited
中國優然牧業集團有限公司
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 9858

Terms of Reference for the Nomination Committee of China Youran Dairy Group Limited (the "Company")

(Adopted with effect from August 22, 2025)

Definitions

1. For the purposes of these terms of reference (the "**Terms**"):

   Board means the board of directors of the Company.

   Company Secretary means the company secretary of the Company.

   Director(s) means the director(s) of the Board.

   Group means the Company and its subsidiaries.

   Listing Rules means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

   Nomination Committee means the nomination committee established by the resolution of the Board in accordance with clause 2 of these Terms.

   Senior Management means the president and vice presidents and any other officers of the Company whose remuneration package is, or is proposed to be, more favourable than that of any officer appointed by the Board; and any other employees of the Company as determined by the Remuneration Committee.

   Shareholders means the shareholders of the Company.

   Stock Exchange means The Stock Exchange of Hong Kong Limited.

Constitution

2. The Nomination Committee was established by resolutions of the Board on May 17, 2021.

Membership

3. The members of the Nomination Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, a majority of whom should be independent non-executive Directors. The Nomination Committee should consist of at least one member of a different gender. The quorum of a Nomination Committee meeting shall be any two members of the Nomination Committee, and one of whom must be an independent non-executive Director.

4. The Nomination Committee shall be chaired by the chairperson of the Board or an independent non-executive Director.

Frequency and Procedure of Meetings

5. Unless otherwise stated herein, the meetings are governed by the provisions contained in the Company's Articles of Association for regulating the meeting and proceedings of Directors.

6. Meetings shall be held not less than once a year. The chairperson of the Nomination Committee shall convene a meeting upon request by any member of the Nomination Committee.

7. An agenda and accompanying Board papers should be sent in full to all Directors in a timely manner and at least 3 days before the intended date of a meeting of the Nomination Committee (or other agreed period).

8. Senior Management is obliged to supply the Nomination Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a Director requires more information than information provided voluntarily by the Senior Management, the relevant Director should make additional necessary enquiries. The Board and each Director shall have separate and independent access to the Senior Management.

9. The Company Secretary shall be the secretary of the Nomination Committee.

Annual General Meeting

10. The chairperson of the Nomination Committee shall attend the annual general meeting and be prepared to respond to any Shareholders' questions on the Nomination Committee's activities.

11. If the chairperson of the Nomination Committee is unable to attend an annual general meeting of the Company, he/she shall arrange for another member of the Nomination Committee, or failing this, his/her duly appointed delegate, to attend in his/her place. Such person shall be prepared to respond to any Shareholders' questions on the Nomination Committee's activities.

Declaration of Interest

12. Each member of the Nomination Committee shall declare to the Nomination Committee any of his/her personal financial interest in connection with any matter to be discussed or resolved by the Nomination Committee and any potential conflict of interest in connection with such matter, including but not limited to interest in terms of ownership of intellectual property rights or equity interest. Any member with such interest or relates to such potential conflict of interest shall be abstained from discussions and voting in the Nomination Committee's resolution in respect of the related matters and shall abstain from direct communications with members of the Board or Senior Management in relation to such matters.

Authority

13. The Nomination Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Nomination Committee.

14. The Company should provide the Nomination Committee sufficient resources to perform its duties. The Nomination Committee should seek independent professional advice to perform its responsibilities, at the Company's expense, if it considers necessary. The Nomination Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external consultant who advises the Nomination Committee.

Duties

15. The duties of the Nomination Committee shall include:

    (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board annually, assisting the Board in maintaining a board skill matrix and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

    (b) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive;

    (c) identifying individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;

    (d) assessing the independence of independent non-executive Directors on an annual basis upon receipt and considerations of the confirmation of independence made by the respective independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and taking into account the term of office of independent non-executive Directors and the number of directorships they held in other listed issuers, together with other relevant requirements prescribed by the Listing Rules;

    (e) reporting to the Company as to whether the confirmations of independence made by the respective independent non-executive Directors in respect of his or her independence pursuant to Rule 3.13 of the Listing Rules have been received and their view in that regard;

    (f) overseeing research and development activities of Directors and the respective fee payments made by the Company to such Directors;

    (g) reviewing any payments to be made under agreements with any independent non-executive Directors and the terms and conditions and any payment to be made under any further agreements between the Company and the independent non-executive Directors in relation to any new research and development projects, to assess the terms and conditions and the rate for similar transactions in the market to ensure the reasonableness and fairness of the underlying transactions;

(h) before appointments are made by the Board, evaluating the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination Committee shall (where applicable and appropriate):

(i) use open advertising or the services of external advisers to facilitate the search;

(ii) consider candidates from a wide range of backgrounds; and

(iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;

(i) keeping 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;

(j) keeping up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;

(k) assessing each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his/her responsibilities effectively on an annual basis, taking into consideration the professional qualifications and work experience of each Director, the directorships held by each Director in the Company or other existing listed issuers, and other significant external time commitments of such Directors, and other factors relevant to his/her personality, character, integrity, independence and experience, and making relevant disclosures on such assessment pursuant to the Listing Rules;

(l) ensuring that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;

(m) formulating the board diversity policy (the "**Board Diversity Policy**"), and reviewing the implementation and effectiveness of the Board Diversity Policy on an annual basis as well as any measurable objectives adopted by the Board and its progress; and

(n) supporting the Company's regular evaluation of the performance of the Board.

16. The Nomination Committee shall also make recommendations to the Board concerning:

(a) formulating plans for succession for both executive and non-executive Directors;

(b) suitable candidates for the role of independent non-executive Directors;

(c) membership of the Company's audit and remuneration committees, in consultation with the chairmen of those committees;

(d) the re-appointment of any non-executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

(e) the continuation (or not) in service of any Director who has reached the age of 70;

(f) the re-election by Shareholders of any Director under the "Appointment and Rotation of Directors" section in the Company's Articles of Association having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

(g) any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and

(h) the appointment of any Director to executive or other office.

Reporting Procedures

17. Full minutes of the Nomination Committee's meetings should be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary or his/her appointed delegate), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.

18. Minutes of meetings of the Nomination Committee shall record in sufficient detail the matters considered by the Nomination Committee and decisions reached, including any concerns raised by Directors and members or dissenting views expressed. Draft and final versions of minutes should be sent to all members of the Nomination Committee for their comment and records respectively, within a reasonable time after such meetings.

19. Without prejudice to the generality of the duties of the Nomination Committee set out above, the Nomination Committee shall report back to the Board on and, keep the Board fully informed of, its decisions and recommendations, unless there are legal or regulatory restrictions on it to do so (such as a restriction on disclosure due to regulatory requirements).

Provision of Terms of Reference

20. The Nomination Committee should make available these Terms explaining its role the authority granted to it by the Board upon request and by including them on the Hong Kong Stock Exchange's website and the Company's website.

(If there is any inconsistency between the English and Chinese version of this document, the English version shall prevail.)