Muyuan Foods Co., Ltd.

Terms of Reference of the Remuneration and Appraisal Committee of the Board of Directors

(Applicable after listing of H Shares)

Chapter 1 General Provisions

Article 1 In order to improve the governance structure of Muyuan Foods Co., Ltd. (hereinafter referred to as the "Company") and further establish and improve the remuneration and appraisal management system for the Directors and senior management of the Company, in accordance with the Company Law of the People's Republic of China, the Corporate Governance Code for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), 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 of the Company established the Remuneration and Appraisal Committee and formulated these Terms of Reference.

Article 2 The Remuneration and Appraisal Committee is a specialized working body under the Board of Directors, which is mainly responsible for researching and formulating standards for appraising Directors and senior management of the Company and conducting appraisal thereunder; formulating and reviewing the policies for and proposals on the remuneration of Directors and senior management of the Company.

Chapter 2 Composition

Article 3 The Remuneration and Appraisal Committee shall be composed of at least three Directors, with independent non-executive Directors constituting a majority.

Article 4 The Remuneration and Appraisal 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 Remuneration and Appraisal Committee shall be nominated by the Chairman of the Board of Directors, more than half of the independent non-executive Directors, or more than one-third of all Directors, and elected by the Board of Directors.

Article 6 The term of office of the Remuneration and Appraisal 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 Remuneration and Appraisal Committee shall perform the following main duties:

Formulating standards for appraising Directors and senior management of the Company, formulating and reviewing the policies for and proposals on the remuneration of Directors and senior management and making recommendations to the Board of Directors for the following matters:

(I) to establish the overall remuneration policy and structure for Directors and senior management, and formulate remuneration policies to ensure formal and transparent procedures are in place;

(II) to recommend additional assessment of the performance of the executive Directors, and to approve the service contracts of the executive Directors;

(III) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives of the Board of Directors;

(IV) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;

(V) 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;

(VI) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are consistent with contractual terms; where inconsistencies exist, such compensation payment is reasonable and appropriate;

(VII) to ensure that no Director or any of his/her associates is involved in determining his/her own remuneration;

(VIII) remuneration of executive Directors and senior management (which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment) as well as remuneration of non-executive Directors;

(IX) to formulate or amend the equity incentive plans (including the share schemes as described in Chapter 17 of the Hong Kong Listing Rules) and employee share ownership plans, ensuring that the participants are granted interests and the conditions for exercising their rights and interests are met;

(X) the directors and senior management shall arrange shareholding plans in the subsidiaries to which the Company intends to spin-off;

(XI) other matters stipulated by laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the recommendations of the Remuneration and Appraisal Committee are not adopted or fully adopted by the Board of Directors, the opinions of the Remuneration and Appraisal Committee and the specific reasons thereof shall be recorded in the resolutions of the Board of Directors and disclosed accordingly.

Article 8 The Remuneration and Appraisal Committee is accountable to the Board of Directors. The remuneration scheme for the Directors and senior management of the Company is formulated by the Remuneration and Appraisal Committee of the Board of Directors. The Directors' remuneration shall be decided by the shareholders' general meeting. When the Board of Directors or the Remuneration and Appraisal Committee assesses the performance of a Director or discusses its remuneration, such Director shall be absent from such assessment and discussion. The remuneration scheme for the senior management shall be approved by the Board of Directors, explained to the shareholders' general meeting, and fully disclosed.

When the Company incurs losses, it shall specifically explain during each stage of the remuneration review process for Directors and senior management whether the changes to the remuneration of Directors and senior management align with the performance-linked requirements.

Article 9 The relevant departments of the Company shall cooperate with the Remuneration and Appraisal Committee during its course of undertaking its duties at the cost of the Company.

Chapter 4 Convening and Notices of Meetings

Article 10 The meetings of the Remuneration and Appraisal Committee comprise regular meetings and extraordinary meetings. The meetings shall be convened and chaired by the convener (chairman) of the Remuneration and Appraisal Committee.

In the event that the convener of the Remuneration and Appraisal 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 Remuneration and Appraisal Committee shall hold regular meetings at least once a year and may hold extraordinary meetings as necessary. Meetings of the Remuneration and Appraisal Committee shall be held only when more than two-thirds of the members are present.

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

Article 13 Members of the Remuneration and Appraisal 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 Remuneration and Appraisal Committee can only appoint one other member at a time to exercise the voting rights on his/her behalf.

Article 14 Members of the Remuneration and Appraisal 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 Remuneration and Appraisal 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 Remuneration and Appraisal 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 Remuneration and Appraisal 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 Remuneration and Appraisal 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 Remuneration and Appraisal 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 Remuneration and Appraisal Committee, the Remuneration and Appraisal Committee shall submit such matter to the Board of Directors for consideration.

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

Article 18 Matters proposed at the Remuneration and Appraisal 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 Remuneration and Appraisal 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 Remuneration and Appraisal Committee, however, do not have voting rights on the proposals.

Article 20 Voting in both regular meetings and extraordinary meetings of the Remuneration and Appraisal 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 Remuneration and Appraisal Committee upon announcement by the chairman of the meeting.

The resolutions of the Remuneration and Appraisal 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 Remuneration and Appraisal 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 Remuneration and Appraisal 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. 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 23 The proposals and voting results passed at the meetings of the Remuneration and Appraisal Committee shall be submitted to the Board of Directors in writing.

Article 24 The meeting minutes and written documents of the resolutions of the Remuneration and Appraisal 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 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, rules, 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.