

# ADAMA Ltd.

## Independent Opinions on the Relevant Issues of the 11<sup>th</sup> Meeting of the 8<sup>th</sup> Session of the Board of Directors

In accordance with the *Company Law of the People's Republic of China*, *Guidance on Establishing the Independent Director System in Listed Companies*, and other laws, regulations and normative documents, as well as the *Articles of Association* and *Independent Director System*, we, as the independent directors of Hubei Sanonda Co., Ltd.(hereinafter referred to as "Company"), give our independent opinions on the relevant proposals of the 11<sup>th</sup> Meeting of the 8<sup>th</sup> Session of the Board of Directors from the standpoint of independent judgment:

### 1. Independent Opinions on the Expected Related Party Transactions in the Ordinary Course of Business in 2019

(1) The transactions between related parties that have occurred in 2018 are all needed by the normal and daily operation of the Company. All the transactions were conducted in line with market practice and the laws and regulations; They have served the Company's long-term interests and met requirement of development strategies. The gap between the actual amount and the estimation of the transactions between related parties in 2018, is a reasonable and proper result of the market conditions and the actual needs of the Company. Such gap will neither trigger any major impact on production and operation, nor harm the interests of the Company and its minority shareholders, as well as will not compromise the independency of the Company.

(2) We have pre-approved the proposal on the Expected Related Party Transactions in the Ordinary Course of Business in 2019 before the meeting of the BOD. We are of the opinion that the related party transactions are the normal matters in the Company's operation. We agree to submit this proposal to the BOD meeting.

The related directors withdrew from the vote. This proposal has been passed by the non-related directors. The decision-making procedures for these related party transactions conform to the *Company Law of the People's Republic of China*, the *Rules of Shenzhen Stock Exchange for the Listing of Stocks*, the *Articles of Association* and other laws and regulations.

The Group's related-party transactions performed in the ordinary course of business are mainly to purchase or sell goods, materials and services from/to the related parties based on the principles of justice and fairness and the pricing standards consistent with those of non-related parties, in order to assist in capitalizing the Group's unique positioning and profile, achieve cost savings, increase sales, market share and drive its profitable growth. All such transactions shall conform to relevant national laws and regulations, as applicable, and the market-oriented principles, and shall not influence the independence of the Company or damage the interests of the Company and its other shareholders. The decision-making procedures for these related party transactions conform to the *Company Law of the People's Republic of China*, the *Rules of Shenzhen Stock Exchange for the Listing of Stocks*, the *Articles of Association* and other laws and regulations. We agree on this proposal and submit it to the General Meeting of Shareholders for deliberation.

## **2. Independent opinions on the Remuneration Policy for Senior Executives of the Company**

The Remuneration Policy for Senior Executives of the Company is based on the actual operation situations of the Company and is adjusted and determined upon the

remuneration standard of other listed companies belonging to the same field and same class of the Company as well as the regional development standard. The policy helps to better attract and retain talents, to exert initiatives of the Company's senior executives and to promote the long-term sustainable development of the Company. The policy complies with relevant laws, regulations and the Articles of Association and will not harm the legal rights and interests of all the shareholders and investors. Therefore, we agree to determine the remuneration of senior executives based on the Remuneration Policy for Senior Executives of the Company.

(The signature page of Independent Opinions on the Relevant Issues of the 11<sup>th</sup> Meeting of the 8th Session of the Board of Directors)

Independent Director Signature:

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Tang Yunwei

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Xi Zhen

February 21, 2019