



常茂生物化學工程股份有限公司

Changmao Biochemical Engineering Company Limited*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 954)

Election and Removal of Directors

Directors shall be elected at the general meeting each for a term of 3 years. At the expiry of a director's term, they may be re-elected and serve consecutive terms.

A notice of the intention to propose a person for election as director and the written notice by such candidate of his willingness to accept the nomination shall be given to the Company no less than seven days. The minimum seven-day period of lodgement by the shareholders of notice to nominate a director shall commence no earlier than the date after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting.

The Chairman and the executive director shall be elected and removed by more than one-half of all of the members of the board of directors. The term of office of each of the Chairman and the executive director is 3 years. They may be re-elected and serve consecutive terms.

Subject to compliance with all relevant law and administrative regulations, the general meeting may remove any director (including director who is also a general manager, deputy general or other officer of the Company) before the expiration of his term of office by an ordinary resolution. However, the director's right to claim for damages according to his contract shall not be affected.

The Chairman and the executive director may be act as general manager, deputy general manager or other senior officer (except for supervisor). The Directors is not required to hold shares in the Company.