

AMERICAN DAIRY, INC.

CHARTER FOR THE NOMINATING/CORPORATE GOVERNANCE

COMMITTEE OF THE BOARD OF DIRECTORS

Adopted by the Board of Directors

March 2, 2005

ARTICLE I – PURPOSE OF THE COMMITTEE

The purpose of the Nominating/Corporate Governance Committee (the "Committee") of the Board of Directors (the "Board") of American Dairy, Inc. (the "Company") shall be to identify and recommend to the Board individuals qualified to serve as directors of the Company; to advise the Board with respect to Board composition and procedures; to develop and recommend to the Board on an ongoing basis Corporate Governance Guidelines applicable to the Company; to advise the Board with respect to corporate governance matters; and to oversee the evaluation of the Board.

ARTICLE II – COMPOSITION OF THE COMMITTEE AND SUBCOMMITTEES

Section 1. Size of the Committee and Membership Requirements.

The Committee shall consist of not less than three nor more than five members of the Board. Only those directors who are determined to be "independent directors" under the Company's Corporate Governance Guidelines are eligible to serve on the Committee.

Section 2. Nomination and Appointment of Members.

Each Committee member shall be appointed by resolution adopted by a majority of the exact number of authorized directors and shall serve until a successor shall be appointed. In the event any member of the Committee shall cease to be a director of the Company, the vacancy thus created shall either be filled by the Board or, at the Board's discretion, left unfilled, provided that in no event shall the Committee consist of less than three members.

Section 3. Committee Chairperson.

The Board shall designate one of the Committee's members as chairperson ("Chair") who shall preside over meetings of the Committee and

report Committee actions to the Board. If the Chair is not present, the Committee may designate an acting Chair.

Section 4. Subcommittees.

The Board may form Subcommittees for any purpose and may delegate to such Subcommittees such power and authority as the Board deems appropriate; provided however, that a Subcommittee shall consist of at least two members of the Committee and that the Board shall not delegate any power or authority required by any law, regulation or stock exchange listing standard to be exercised by the Board as a whole. Each Subcommittee member shall be appointed by resolution adopted by a majority of the exact number of authorized directors and shall serve until a successor shall be appointed. In the event any member of any Subcommittee shall cease to be a director of the Company, the vacancy thus created shall either be filled by the Board or, at the Board's discretion, left unfilled, provided in no event shall any Subcommittee consist of less than two members. The Board shall determine the chairmanship of the Subcommittees.

ARTICLE III – MEETINGS AND OTHER ACTIONS

Section 1. Meeting Times, Agendas and Quorum.

The Committee shall meet prior to the annual shareholders' meeting each year or more frequently as circumstances require. The frequency, length, and agendas of meetings shall be determined by the Chair in consultation with Committee members and company management. Any Committee member may request the inclusion of items on the agenda or raise subjects at a meeting that are not on the meeting agenda. A majority of the members of the Committee shall constitute a quorum for the transaction of business. Meetings shall be held at the principal offices of the Company or as directed by the Chair. The Committee shall report on its actions at a subsequent Board meeting.

Section 2. Meeting Minutes.

The Company's Secretary shall keep or appoint an appropriate person to keep regular minutes of all Committee and Subcommittee proceedings. If no appointed person is present, the Committee may designate an acting secretary. The minutes of each meeting shall be reviewed and approved by legal counsel and the Chair. The approved minutes shall become a permanent corporate record maintained by the Company's Secretary.

Section 3. Authority of the Committee.

Unless otherwise provided in this Charter, the meetings and any other actions of the Committee or any Subcommittee shall be governed by the

provisions of Article III and Article VII of the Bylaws of the Company applicable to meetings and actions of the Board, and the Committee shall have all of the authority of the Board in fulfilling its duties and responsibilities, including the authority at the Company's expense to conduct or authorize investigations or studies of matters within the Committee's scope of responsibilities and to obtain advice and assistance from internal and external advisors, except as limited by any applicable law, regulation or stock exchange listing standard, or Article III of the Bylaws of the Company.

ARTICLE IV – NOMINATING AND RELATED RESPONSIBILITIES

The Committee shall have the following authority, duties, and responsibilities with respect to nominations of Board members and related matters:

- (a) Consult with management, review suggestions made by shareholders, and make recommendations to the Board regarding the size and composition of the Board and selection of individual candidates for election to the Board.
- (b) Seek out, identify, investigate, and recommend prospective candidates for membership on the Board, using the Guidelines for Nomination as a Director attached to the Company's Corporate Governance Guidelines.
- (c) Propose to the Board a slate of directors for submission to the Company's shareholders at each annual meeting of shareholders and recommend to the Board the inclusion of the slate in the proxy statement.
- (d) Recommend candidates to the Board in light of resignations or retirements, and review the suitability of continued service as a Board member when he or she has a significant change in status, including an employment change and any change affecting his or her independence.
- (e) Oversee the annual evaluation of the Board as a whole and of individual directors who may be up for renomination to the Board and establish procedures to allow for exercise of this oversight function.
- (f) Oversee and monitor the orientation program for new directors, and periodically review continuing education activities for all directors.

- (g) Perform such additional functions as are necessary or prudent to fulfill the Committee's duties and responsibilities under this Article IV, which shall include the sole authority to retain or terminate any search firm to be used to identify director candidates, including the sole authority to approve the search firm's fees and other retention terms.

ARTICLE V – CORPORATE GOVERNANCE RESPONSIBILITIES

The Committee shall have the following authority, duties, and responsibilities with respect to corporate governance activities:

- (a) Review periodically the Corporate Governance Guidelines adopted by the Board to assure that they are appropriate for the Company and comply with the applicable requirements of the stock exchanges on which the Company is listed, and any applicable law or regulation, and recommend any desirable changes to the Board.
- (b) Consider any other corporate governance issues that arise from time to time, and develop appropriate recommendations for the Board.
- (c) In accordance with stock exchange requirements and the Corporate Governance Guidelines, jointly with management develop a code of business conduct and ethics for directors, officers and employees and recommend the code for adoption by the Board.
- (d) Review periodically the Company's code of business ethics and conduct to assure that the code is appropriate for the Company and complies with the applicable requirements of the stock exchanges on which the Company is listed, and any applicable law or regulation, and recommend any desirable changes to the Board.
- (e) Perform such additional functions as are necessary or prudent to fulfill the Committee's duties and responsibilities under this Article V.

ARTICLE VI – EVALUATION OF THE COMMITTEE

The Committee shall perform an annual evaluation of its own performance and of the adequacy of this Charter, and submit to the Board that evaluation, including any recommended changes to the Committee's membership, Charter or procedures.

ARTICLE VII – POSTING OF THE CHARTER

This Charter shall be available on the Company's Internet website and in print to any requesting shareholder, as disclosed in the Company's Annual Report on Form 10-KSB or Form 10-K.