

NetDragon Websoft Inc.

(Incorporated in the Cayman Islands with limited liability)

(hereinafter the “**Company**”)

(Approved by the Board on 26 March 2012)

Share Award Scheme Committee – Terms of Reference

1. Membership

1.1 The Share Award Scheme Committee (the “**Committee**”) comprises four members (“**Members**”), including two independent non-executive directors, the chief financial officer and the company secretary of the Company.

1.2 The chairman of the Committee shall be an independent non-executive director. If no decision can be reached in a meeting, the chairman shall be entitled to a casting vote.

2. Secretary

2.1 The company secretary shall act as the secretary of the Committee, and shall be responsible for keeping records of full minutes of meetings of the Committee. If the company secretary is not able to attend such meetings as scheduled, Members of the Committee shall be entitled to appoint another person to act as the secretary.

3. Convening and proceeding of meetings

3.1 The Committee is entitled to convene meetings of the Committee as required from time to time.

3.2 Unless otherwise expressly specified, all provisions of the Company’s memorandum and articles of association regarding convening and proceeding of the Board meetings shall apply to meetings of the Committee.

3.3 Members of the Committee can attend meetings in person or via electronic means including telephonic or videoconferencing.

3.4 A resolution in writing signed by all Members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4. Authority

4.1 Members of the Committee are delegated by the Board with the authority to deal with issues on the share award scheme of the Company (the “**Share Award Scheme**”). Members are eligible to seek information as required from employees who are nominated to participate in the Share Award Scheme.

- 4.2 The Committee shall determine the Reference Date and Vesting Date (as defined in the rules of the Share Award Scheme) in relation to the Share Award Scheme.
- 4.3 The Committee shall approve the qualifications of the employees participating in the Share Award Scheme.

5. Duties

- 5.1 To approve the employees participating in the Share Award Scheme in exercising their Awarded Shares (as defined in the rules of the Share Award Scheme).
- 5.2 To notify the employees participating in the Share Award Scheme on their expired Awarded Shares (as defined in the rules of the Share Award Scheme).
- 5.3 To cancel the Awarded Shares (as defined in the rules of the Share Award Scheme) with consents of the employees participating in the Share Award Scheme.
- 5.4 The Committee shall report to the Board on changes in the Share Award Scheme or the relevant Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited on a timely basis.

6. Reporting

- 6.1 The secretary of the Committee shall circulate minutes of the meetings of the Committee and relevant reports and information among the directors of the Company for their review.
- 6.2 The Committee shall report all decisions reached and recommendations made in meetings of the Committee to the Board.