

NetDragon Websoft Inc.

(Incorporated in the Cayman Islands with limited liability)

(hereinafter the “**Company**”)

(Approved by the Board on 22 May 2008 as amended on 26 March 2012 and 30 August 2013)

Nomination Committee – Terms of Reference

1. Membership

1.1 Members of the Nomination Committee (“Members”) shall be appointed by the Board and must be directors of the Company. The Nomination Committee shall consist of not less than three Members and the majority of which shall be independent non-executive directors (“INEDs”).

1.2 The chairman of the Nomination Committee shall be appointed by the Board and must be the chairman of the Board or an INED.

2. Secretary

2.1 The company secretary of the Company, or any person delegated by him/her, shall be the secretary of the Nomination Committee.

2.2 The Nomination Committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the Nomination Committee.

3. Meetings

3.1 The Nomination Committee shall meet at least once a year.

3.2 Notice of at least 14 days should be given for any meeting, unless such notification is waived by all Members. Notwithstanding the notification period, the attendance of the Member at the meeting would deem to be treated as the waiver of the required notification requirement. If the follow up meeting takes place within 14 days after the meeting, then no notification is required for such follow up meeting.

3.3 The quorum necessary for the transaction of business of the Nomination Committee shall be two Members, one of whom must be an INED. Except for Members, other Board members are entitled to attend any meetings but they do not count as quorum nor vote at the meetings.

3.4 Meetings can be attended in person or via electronic means including telephonic or videoconferencing. The Members can attend the meeting via telephonic or any similar communication device (all persons attending such meeting should be able to hear from such Member via such communication device).

3.5 Resolutions of the Nomination Committee shall be passed by a majority of votes.

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

3.7 Minutes shall be kept by the secretary of the Nomination Committee. Draft and final versions of minutes of the meetings shall be circulated to all Members for their comment and records, within a reasonable period of time after the meeting. Such minutes shall be open for directors’ inspection.

4. Meeting Attendance

- 4.1 At the invitation of the Nomination Committee, the chairman of the Board and/or Managing Director or Chief Executive Officer, external advisers and other persons may be invited to attend all or part of any meeting.
- 4.2 Only Members are entitled to vote at the meetings.

5. Annual General Meeting

- 5.1 The Chairman or in his/her absence, one of the Members (who must be an INED), shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Nomination Committee's activities and their responsibilities.

6. Duties, Power and Discretion

The Nomination Committee shall have the following duties, power and discretion:

- 6.1 to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- 6.2 to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- 6.3 to make recommendations to the Board on the appointment or re-appointment of directors and the succession plan for directors, in particular the chairman of the Board and the chief executive;
- 6.4 to assess the independence of INEDs;
- 6.5 to regularly review the time required from a director to perform his responsibilities to the Company;
- 6.6 to set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reasons why they consider the individual to be independent, where the Board proposes a resolution to elect an individual as an INED at the general meeting; and
- 6.7 to review the board diversity policy adopted by the Company; to review the measurable objectives that the Board has set for implementing the board diversity policy and the progress on achieving the objectives; and to make disclosure of its review results in the Corporate Governance Report annually.

7. Reporting Responsibilities

- 7.1 The Nomination Committee shall report to the Board on its decisions or recommendations.

8. Authority

- 8.1 The Nomination Committee is authorized to request the employees of the Company to provide any information within the scope of its duties.
- 8.2 The Nomination Committee should have access to independent professional advice at the Company's expense, to perform its responsibilities and to ensure the independent party possessing a relevant experience and profession to attend the meeting if necessary.
- 8.3 The Nomination Committee shall be provided with sufficient resources to perform its duties.