China Ludao Technology Company Limited

中國綠島科技有限公司

(the "Company")

(incorporated in the Cayman Islands with limited liability)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

(Adopted by the Company on 16 September 2013)

1. MEMBERSHIP

1.1 Members of the Remuneration Committee shall be appointed by the board of directors (the "Board") of the Company.

1.2 The majority of the members of the Remuneration Committee shall be independent non-executive directors ("INEDs").

2. CHAIRMAN

2.1 The chairman of the Remuneration Committee shall be appointed by the Board and must be an INED.

3. SECRETARY

3.1 The company secretary of the Company ("Company Secretary") shall be the secretary of the Remuneration Committee. In the absence of the Company Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Remuneration Committee, shall attend the meeting of the Remuneration Committee and take minutes.

4. PROCEEDINGS OF THE REMUNERATION COMMITTEE

Unless otherwise specified hereunder, the provisions contained in the Company's Articles of Association (as amended from time to time) for regulating meetings and

proceedings of directors shall apply to the meetings and proceedings of the Remuneration Committee.

4.1 Quorum

4.1.1 The quorum for meetings of the Remuneration Committee shall be any two members (at least one of whom should be an INED).

4.2 Frequency of meetings

4.2.1 The Remuneration Committee shall hold at least one regular meeting in a year. Additional meetings of the Remuneration Committee may be held as and when required.

4.3 Attendance at meetings

4.3.1 Members of the Remuneration Committee may attend meetings of the Remuneration Committee either in person or through other electronic means of communication or in such other manner as the members may agree.

4.3.2 The other directors, Company Secretary (or his/her delegate(s)), human resources officer and relevant senior management and persons(s) invited by a Remuneration Committee member may attend meetings of the Remuneration Committee from time to time where the Remuneration Committee considers their presence necessary or appropriate to assist the Remuneration Committee to perform its duties.

4.4 Notice of meetings

4.4.1 A meeting of the Remuneration Committee may be convened by any of its members through the Company Secretary.

4.4.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be

forwarded to each member of the Remuneration Committee, and to any other person required to attend:

(a) in relation to all regular meetings of the Remuneration Committee, at least 14 days before the date of the meeting; and

(b) in relation to all other meetings of the Remuneration Committee, within a reasonable time prior to the date of the meeting.

4.4.3 Supporting papers shall be sent to the Remuneration Committee members and to other attendees as appropriate, at the same time.

4.5 Minutes of meetings

4.5.1 Draft and final versions of minutes of Remuneration Committee meetings shall be sent to all Remuneration Committee members for their comment and records within a reasonable time after the meeting.

4.5.2 Minutes of the Remuneration Committee meetings shall be kept by the Company Secretary and shall be available for inspection by any member of the Remuneration Committee or the Board at any reasonable time on reasonable notice.

4.6 Written resolutions

4.6.1 Without prejudice to any requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), written resolution may be passed and adopted by all members of the Remuneration Committee.

5. RESPONSIBILITIES AND AUTHORITIES OF THE REMUNERATION COMMITTEE

5.1 The responsibilities and authorities of the Remuneration Committee shall include such responsibilities and authorities set out in the relevant code

provisions of the Corporate Governance Code (the "CG Code") as contained in Appendix 14 of the Listing Rules (as amended from time to time).

5.2 The Remuneration Committee should consult the chairman of the Board and/or chief executive officer of the Company about their remuneration proposals for other executive directors.

5.3 Without prejudice to any requirement under the CG Code, the duties of the Remuneration Committee include the following:

(a) To make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

(b) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.

(c) Either:

(i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or

(ii) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

(d) To make recommendations to the Board on the remuneration of non-executive directors.

(e) To consider salaries paid by comparable companies, time commitment and

responsibilities and employment conditions elsewhere in the group.

(f) To review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive.

(g) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and that are otherwise reasonable and appropriate.

(h) To ensure that no director or any of his associates is involved in deciding his own remuneration.

5.4 The Remuneration Committee shall be provided with sufficient resources to perform its duties and shall have access, at the Company's expense, to independent professional advice if necessary.

5.5 All members of the Remuneration Committee shall have access to the advice and services of the Company Secretary, and separate and independent access to the Company's senior management for obtaining necessary information.

6. REPORTING RESPONSIBILITIES

6.1 The Remuneration Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

6.2 The Company will disclose details of any remuneration payable to members of senior management by band in its annual report.

7. ANNUAL GENERAL MEETING

7.1 The chairman of the Remuneration Committee or in his absence, another member of the Remuneration Committee or failing this, his duly appointed

delegate, shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Remuneration Committee's work and responsibilities.

8. AMENDMENTS TO TERMS AND AVAILABILITY OF TERMS

8.1 The Remuneration Committee shall, from time to time, review its own performance, constitution and terms of reference to ensure that it is operating effectively, and recommend any changes it considers to the Board for approval.

8.2 The terms may be reviewed by the Board from time to time taking into consideration the operations of the Remuneration Committee and its contribution to the corporate governance of the Company, as well as any amendments to the Listing Rules from time to time.

8.3 The Remuneration Committee shall make available these terms by publishing them on the websites of the Stock Exchange of Hong Kong Limited and the Company.

Note: If there is any inconsistency between the English and Chinese versions of these Terms of Reference, the English version shall prevail.