

LINKTONE LTD.

NOMINATING AND COMPENSATION COMMITTEE CHARTER

I. Purpose

The Nominating and Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Linktone Ltd., a Cayman Islands corporation (the “Company”), to: (a) assist the Board in discharging its responsibilities relating to compensation of the Company’s directors and executive officers; (b) produce an annual report on executive compensation for inclusion in the Company’s proxy statement, if required under applicable rules and regulations or otherwise deemed appropriate by the Committee; and (c) assist the Board in selecting nominees for election to the Board and to monitor the composition of the Board, by making recommendations to the Board from time to time, or whenever it shall be called up to do so. The Committee shall undertake those specific duties and responsibilities listed below and such other duties as the Board shall from time to time prescribe. All powers of the Committee are subject to the restrictions designated in the Company’s Amended and Restated Memorandum of Association, Amended and Restated Articles of Association and by applicable law.

II. Committee Membership

The Committee members (the “Members”) shall be appointed by the Board and will serve at the discretion of the Board. The Committee will consist of at least one (1) member of the Board. The Committee shall be composed of members of the Board but shall not include any individuals who would not be deemed “independent” under the applicable rules of the Nasdaq Global Market, except to the extent permitted by such Rules. Unless otherwise directed by the Board, each Member shall serve until such Member ceases to serve as a member of the Board, or until his or her successor has been duly appointed by the Board.

III. Structure and Meetings

The Committee shall conduct its business in accordance with this Charter, the Company’s Amended and Restated Memorandum of Association and Amended and Restated Articles of Association and any direction by the Board. The Committee chairperson shall be designated by the Board, or, if it does not do so, the Committee members shall elect a chairperson by a vote of the majority of the full Committee.

The Committee shall meet at least one (1) time a year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

The Committee chairperson will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. The chairperson of the Committee (or other member designated by the chairperson or the Committee in the Chairperson's absence) shall regularly report to the full Board on its proceedings and any actions that the Committee takes. The Committee will maintain written minutes of its meetings, which minutes will be maintained with the books and records of the Company.

As necessary or desirable, the Chairperson of the Committee may invite any Director, officer or employee of the Company, or other persons whose advice and counsel are sought by the Committee, to be present at meetings of the Committee, consistent with the maintenance of confidentiality of compensation discussions. The CEO should not attend any meeting where the CEO's performance or compensation are discussed, unless specifically invited by the Committee.

IV. Committee Authority and Responsibilities

1. Compensation-related Authority and Responsibilities

The Committee shall:

- a. Annually review and approve the Company's corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of such goals and objectives, and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the CEO's compensation level based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years.
- b. Annually review and make recommendations to the Board with respect to non-CEO compensation, incentive-compensation plans and equity based-plans.
- c. Administer the Company's incentive-compensation plans and equity based-plans as in effect and as adopted from time to time by the Board; provided that the Board shall retain the authority to interpret such plans.
- d. Approve any new equity compensation plan or any material change to an existing plan where shareholders approval has not been obtained.
- e. Approve any stock option award or any other type of award as may be required for complying with any tax, securities, or other regulatory

requirement, or otherwise determined to be appropriate or desirable by the Committee or Board.

- f. Ensure appropriate overall corporate performance measures and goals are set and determine the extent that established goals have been achieved and any related compensation earned.
- g. Annually review and approve for the Company's officers: i) annual base salary levels; ii) annual incentive compensation levels; iii) long-term incentive compensation levels; iv) employment agreements, severance agreements, and change of control agreements/provisions, in each case as, when and if appropriate; and v) any supplemental or special benefits.
- h. Perform such other functions and have such other powers consistent with this Charter, the Company's Amended and Restated Memorandum of Association and Amended and Restated Articles of Association and governing law as the Committee or the Board may deem appropriate.
- i. Produce a Committee report on executive compensation as and if required to be included in the Company's annual proxy statement or annual report on Form 10-K or Form 20-F filed with the SEC.
- j. Prepare and issue the evaluation required under "Performance Evaluation" below.

2. Nomination-related Authority and Responsibilities

The Committee shall:

- a. Monitor the size and composition of the Board.
- b. Consider and make recommendations to the Board with respect to the nominations or elections of directors of the Company. Such recommendations shall be made prior to the annual general meeting of shareholders, or any other meeting of the shareholders at which the shareholders shall elect one or more directors of the Company.
- c. In considering potential new directors and officers, the Committee will review individuals from various disciplines and backgrounds. Among the qualifications to be considered in the selection of candidates are broad experience in business, finance or administration; familiarity with the Company's industry; and prominence and reputation. Since prominence and reputation in a particular profession or field of endeavor are what bring most persons to the Board's attention, there is the further consideration of whether the individual has the time available to devote to the work of the Board and one or more of its committees. Also, in making its selection, the Committee will bear in mind that the foremost responsibility of a director of the Company

is to represent the interests of the Company shareholders as a whole. As part of this process, the Committee will consider candidates recommended by shareholders of the Company.

- d. Review the activities and associations of each potential director to ensure that there is no legal impediment, conflict of interest, or other consideration that might hinder or prevent service on the Board.

V. Performance Evaluation

The Committee shall annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee shall also perform an annual evaluation of its own performance, which shall compare the performance of the Committee with the requirements of this charter. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

VI. Committee Resources

The Committee shall be empowered, without the approval of the Board or management, to engage and compensate independent legal, accounting and other advisors, as it determines necessary to carry out its duties. The Committee shall have the sole authority to retain and terminate any consultant that it uses to assist in the Committee's evaluation of director, CEO or officer compensation and shall have the sole authority to approve that consultant's fees and other retention terms. The Committee shall receive appropriate funding, as determined by the Committee, from the Company for payment of: a) compensation to any advisor employed by the Committee; and b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may form and delegate authority to subcommittees when appropriate.