

CHINA FINANCE ONLINE CO. LIMITED COMPENSATION COMMITTEE CHARTER

1. Purpose

The purpose of the Compensation Committee (the “Committee”) and this Compensation Committee Charter (this “Charter”) is to discharge the responsibilities of the Board of Directors (the “Board”) of China Finance Online Co. Limited (the “Company”) relating to compensation of the Company’s executives and directors, to produce a report on executive compensation for inclusion in the Company’s annual report or other periodic reports, in accordance with applicable rules and regulations, and to take such other actions within the scope of this Charter as the Committee deems necessary or appropriate.

The Company’s compensation policies should be designed to allow the Company to recruit and retain superior talent and create a significant direct relationship between pay and benefit levels, and performance. Compensation payable to the Company’s executives should provide overall competitive pay and benefit levels, create proper incentives to enhance the value of the Company, and reward superior performance

2. Membership.

The Committee will be comprised of two or more directors. All members of the Committee shall: (a) be independent directors (as determined by the Board) under the independence standards of the Nasdaq National Market (“Nasdaq”), which standards are set forth under the definition of “independent director” under Rule 4200(a)(15) of the Nasdaq Marketplace Rules (set forth in Annex A attached hereto); (b) qualify as non-employee directors under Rule 16b-3 under the Securities Exchange Act of 1934, which requirements are set forth in Annex B attached hereto; and (c) qualify as outside directors under Internal Revenue Code Section 162(m), which requirements are set forth in Annex C attached hereto, and any applicable law (subject in each case to any exceptions allowed by such rules and any waivers granted by the relevant authorities). The members of the Committee shall be appointed by and serve at the discretion of the Board. The Board will appoint the Chairperson of the Committee.

3. Specific Responsibilities and Duties.

The Board delegates to the Committee the express authority to do the following, to the fullest extent permitted by applicable law and the Company’s Memorandum of Association and Articles of Association (the “Constitutional Documents”):

- a. **Compensation Policies.** Develop, review, evaluate and approve the Company’s overall compensation policies, and establish performance-based incentives that support and reinforce the Company’s long-term strategic goals, organizational objectives and shareholder interests.

- b. **Chief Executive Officer (“CEO”) Compensation and Goals** . Review and approve goals and objectives relevant to the Chief Executive Officer’s CEO’s compensation, evaluate the CEO’s performance in light of those goals and objectives, and determine the CEO’s compensation level (including, but not limited to, salary, long- and short-term incentive plans, retirement plans, deferred compensation plans, equity award plans, change in control or other severance plans, as the Committee deems appropriate) based on this evaluation. The Committee shall discuss and determine the CEO’s compensation in executive sessions, at which sessions the CEO may not be present. By invitation of the Committee, the CEO may participate in any other Committee discussions and may be present during any other Committee votes.
- c. **Compensation of other Executive Officers** . Determine the compensation level of the Company’s other executive officers (including, but not limited to, salary, long- and short-term incentive plans, retirement plans, deferred compensation plans, equity award plans, change in control or other severance plans, as the Committee deems appropriate). Establish, review and approve compensation plans in which any executive officer is eligible to participate. Such remuneration arrangements may include long- and short-term incentive plans, retirement plans, deferred compensation plans, equity award plans, change in control or other severance plans, as the Committee deems appropriate.
- d. **Other Senior Officers and Employees** . Receive and evaluate performance target goals for senior officers and employees (other than executive officers) and review periodic reports from the CEO as to the performance and compensation of such senior officers and employees.
- e. **Incentive Compensation Plan Recommendations**. Make recommendations to the Board with respect to the Company’s incentive-compensation plans and equity-based compensation plans and approve for submission to shareholders all new share option and other equity-based compensation plans and any amendments thereto.
- f. **Performance-Based Awards**. The Committee shall (to the extent, if any, it determines to be advisable) grant share options, share appreciation rights, and performance based awards designed to qualify as performance-based compensation within the meaning of Internal Revenue Code Section 162(m).
- g. **Compensation Plan Administration**. The Committee shall administer the Company’s 2004 Share Option Plan and any other equity-based compensation plan adopted by the Board or the Company’s shareholders in the future for which no other administrator is named by the Board, the shareholders or the terms of such plan (each being referred to as a “Plan,” and collectively as the “Plans”), as the same may be amended and in effect from time to time. As administrator of the Plans, the Committee may, without limitation:
 - i. Grant options and other awards under the Plans, provided, however, that each grant shall satisfy all the applicable terms of the Plan under which it is granted as in effect at the time of grant; and

- ii. Take any other action which, by the terms of the applicable Plan, may be taken by the administrator of such Plan.
- h. **Non-Plan Awards.** The Committee may grant cash awards which are not pursuant to any Plan and set the terms of such awards. In addition to the Committee's authority pursuant to the foregoing clause, the Committee may grant equity-based awards which are not pursuant to any of the Plans identified in clause 3(g); provided that any such award satisfies any approval requirements of applicable law or the Nasdaq National Market (for example, and without limitation, the Committee may authorize an award grant to a person not previously an employee or director of the Company, or following a *bona fide* period of non-employment, as an inducement material to the individual's entering into employment with the Company).
- i. **Overall Review of Other Programs**. Except as otherwise determined by the Board, review the other compensation programs of the Company in light of Company and program objectives, needs, and current benefit levels.
- j. **Board.** Set and review the compensation for the Board and committee members.
- k. **Annual Report**. Produce a report on executive compensation for inclusion in the Company's annual report or other periodic reports in accordance with applicable laws.
- l. **Recommendations**. Make recommendations and report to the Board and other Board committees with respect to compensation policy of the Company or any of the foregoing matters.
- m. **Other Actions**. Perform any other activities consistent with this Charter, the Company's Constitutional Documents and governing law as the Committee or the Board deems necessary or appropriate

4. Meetings

The Committee shall meet at least semi-annually. In addition, the Committee will meet with such frequency, and at such times as its Chairperson, or a majority of the Committee, determines. A special meeting of the Committee may be called by the Chairperson and will be called promptly upon the request of any two Committee members. The agenda of each meeting will be prepared by the Chairperson and circulated, if practicable, to each member prior to the meeting date. Unless the Committee or the Board adopts other procedures, the provisions of the Company's Constitutional Documents applicable to meetings of Board committees will govern meetings of the Committee.

5. Minutes.

Minutes of each meeting will be kept with the regular corporate records.

6. Subcommittees.

Subject to prior approval by the Board, the Committee may appoint subcommittees, as necessary.

7. Reliance; Experts; Cooperation

- a. **Retention of Independent Counsel and Advisors** . The Committee has the power, in its discretion, to retain at the Company's expense such independent counsel and other advisors and experts as it deems necessary or appropriate to carry out its duties.
 - o **Compensation Consultant** . The Board delegates to the Committee the express authority to decide whether to retain a compensation consultant or consultancy firm to assist in the evaluation of compensation pursuant to this Charter. If the Committee decides in its discretion to retain such a consultant or firm, the Board delegates to the Committee the authority to retain and terminate any such consultant or firm and to approve the fees and other retention terms.
- b. **Reliance Permitted**. In carrying out its duties, the Committee may act in reliance on management, the independent public accountants, the internal auditors (if any), internal and outside advisors and experts (financial legal or otherwise), and any officers, employees, consultants or agents of the Company, as it deems necessary or appropriate.
- c. **Investigations**. The Committee has the authority to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties.
- d. **Required Participation of Employees** .The Committee shall have unrestricted access to the Board, the other committees of the Board, the independent public accountants, the internal auditors (if any), internal and outside advisors and experts (financial, legal or otherwise), and any officers, employees, consultants and agents of the Company, and may require any such person to attend a meeting of the Committee or to meet with any members of, or consultants or advisors to, the Committee.