

TRAVERS SMITH

Dated 2011

VISION OPPORTUNITY CHINA FUND LIMITED

MANAGEMENT ENGAGEMENT COMMITTEE - TERMS OF REFERENCE

VISION OPPORTUNITY CHINA FUND LIMITED
(the "Company")

MANAGEMENT ENGAGEMENT COMMITTEE - TERMS OF REFERENCE

BACKGROUND

1. The Company has now implemented its strategy of investing the net proceeds raised for its initial placing of shares in companies ("**Investee Companies**") whose operations at the time of initial investment are principally in Greater China.
2. The Company and Vision Capital Advisors, LLC ("**Vision Capital Advisors**") entered into an investment management agreement, (the "**Investment Management Agreement**") that governs all investments which the Company makes in Investee Companies.
3. The shareholders of Vision Capital Advisors have other interests in Greater China and hold interests in the Vision Opportunity Master Fund Ltd., a fund managed by Vision Capital Advisors and may hold interests in other funds to which Vision Opportunity Master Fund Ltd. transfers a portion of its assets and which will continue to be managed by Vision Capital Advisors (the "**Vision Opportunity Funds**") with investments in China. The Company, Vision Opportunity China GP Limited ("**GPCo**"), Vision Opportunity China LP (the "**Limited Partnership**") and their subsidiaries from time to time (together the "**Group**") may, from time to time, enter into transactions with affiliates of Vision Capital Advisors, but (save where the transaction is in accordance with the Allocation Policy) only after approval of the Management Engagement Committee (the "**Committee**") and subject to compliance with the AIM Rules for Companies. The Group may buy assets at the same time as other entities that are affiliated with or managed by Vision Capital Advisors, co-invest with such entities or invest with such entities in special purpose vehicles which in turn invest in Investee Companies and may also, from time to time, buy assets from other entities that are affiliated with or managed by Vision Capital Advisors. Vision Capital Advisors will seek to conduct such transactions on arm's length commercial terms, under conditions consistent with fair market value and industry practice and the transactions will be subject to the AIM Rules for Companies and (save where the transaction is in accordance with the Allocation Policy) approval of the Committee.
5. The board of the Company has adopted a set of guidelines on its arrangements with Vision Opportunity Master Fund Ltd., a fund managed by the Investment Manager, and the Vision Opportunity Funds (the "**Allocation Policy**"). The Allocation Policy is intended, inter alia, to set out the Investment Policy of the Group where it intends to invest in companies in which Vision Opportunity Master Fund Ltd or the Vision Opportunities Funds have invested or intend to invest.

CONSTITUTION

6. The members of the Committee for the time being shall be:

Christopher Fish
John Hallam
Ruiping Wang
Dr Christopher Polk

7. The members of the Committee are all of the non-executive members of the board of directors of the Company (the "**Board**") who are independent from Vision Capital Advisors.

8. The quorum for meetings shall be at least two members of the Committee.

ROLE

9. The Committee has been established by the Board for the purposes of:

9.1 objectively supervising and monitoring Vision Capital Advisors and regularly (at least at annual Committee meetings) analysing Vision Capital Advisors' performance as the Company's investment manager. This process will also include:

- (a) a review of the terms of the Investment Management Agreement, giving consideration as to whether these need to be amended in the context of the continued appointment of Vision Capital Advisors and in the interests of shareholders as a whole. Such review should include:
 - (i) reviewing the level and method of remuneration, the basis of performance fees and the notice period. The Board should give due weight to the competitive position of the Company against the peer group;
 - (ii) considering whether fees payable to Vision Capital Advisors should be based on gross assets, net assets or market capitalisation;
 - (iii) in relation to the performance related element of Vision Capital Advisors' remuneration, the review should seek to ensure that the basis does not encourage excessive risk and that it rewards demonstrably superior performance by Vision Capital Advisors in managing the portfolio against the Company's stated objectives when compared to a

suitable benchmark or peer group. Key factors to be considered include:

- o the views of shareholders;
 - o appropriate benchmarks/hurdle rates;
 - o a reduction in the basic fee when a performance fee is introduced;
 - o a cap on the performance fee;
 - o a high water mark; and
 - o a combination of short-term and long-term measurements and incentives;
- (b) monitoring and evaluating Vision Capital Advisors' investment performance;
- (c) considering the merit of obtaining, on a regular basis, an independent appraisal of Vision Capital Advisors' services;
- (d) requiring Vision Capital Advisors to provide attribution and volatility analyses and whether it should be published at least annually; and
- (e) putting in place procedures by which the Board regularly reviews the continued retention of Vision Capital Advisors' services.

9.2 meeting on an ad hoc basis to consider investment opportunities where there is a potential conflict between the Company's interests and those of Vision Capital Advisors or other funds it manages;

9.3 reviewing, considering and resolving any matters expressed to require the consent or direction of the Committee in the Company's investment policy (as was adopted by shareholders at an extraordinary general meeting of the Company on 1 October 2010 and may be amended by shareholder resolution from time to time), the Company's Admission Document or any other future prospectus or listing particulars of the Company or under the Investment Management Agreement; and

9.4 enforcing a policy, as necessary, on whether Vision Capital Advisors should be permitted to use commissions paid to the Company to pay for services used by Vision Capital Advisors.

COMMITTEE PROCEDURE

10. Notwithstanding the quorum requirements for the Committee, all members of the Committee should endeavour to attend all meetings of the Committee at which matters relating to the Investment Management Agreement and consents and directions required thereunder are discussed.

11. Meetings of the Committee shall be held not less than once each year and at such other times as any member of the Committee requires.
12. At least 14 days' notice of any meeting of the Committee shall be given, although such notice period may be waived or shortened with the consent in writing of all the members of the Committee for the time being.
13. All decisions will be decided on the basis of a majority decision (or, where there are only 2 members voting, on a unanimous basis).
14. Decisions of the Committee may also be taken by a written resolution signed by all the members of the Committee (and if such a resolution consists of several documents in the same form, each document may be signed by one or more member).
15. The minutes of the meetings of the Committee shall be circulated to all members of the Committee and, once agreed, to the Board.
16. The Committee will be at liberty (at the cost of the Company) to draw on legal or other independent professional advice in carrying out its tasks and such persons shall be permitted to attend meetings of the Committee but shall not be members of it.
17. These revised terms of reference were adopted by the Board on the date stated below.

Dated

2011