

**CHARTER OF THE  
COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF GRIDSUM HOLDING INC.**

**Adopted on September 22, 2016**

**I. PURPOSE**

The purpose of the Compensation Committee (“*Committee*”) of the Board of Directors (“*Board*”) of Gridsum Holding Inc. (“*Company*”) is to assist the Board with matters related to compensation. The Committee’s principal functions are to:

- evaluate, recommend, approve and review the Company’s executive officer and director compensation arrangements;
- administer the Company’s cash-based and equity-based compensation plans; and
- make recommendations to the Board regarding any other Board responsibilities relating to executive and director compensation.

This charter (“*Charter*”) sets forth the authority and responsibility of the Committee in fulfilling its purpose.

**II. MEMBERSHIP**

The Committee will consist of three or more members of the Board, with the exact number determined from time to time by the Board. Subject to any applicable exemptions and transition provisions, each member of the Committee will:

- be an “independent director” as defined under the applicable rules, regulations and listing requirements of the Nasdaq Stock Market, as amended from time to time (“*Listing Rules*”), except as may otherwise be permitted by the Listing Rules;
- be “independent” as defined in any other rules and regulations (“*Commission Rules*”) promulgated by the Securities and Exchange Commission under Section 10C of the Securities Exchange Act of 1934, as amended (“*Exchange Act*”), except as may otherwise be permitted by Commission Rules;
- be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member; and
- meet any other requirements imposed by applicable law, regulations or rules.

In connection with appointing or continuing the membership of each director serving on the Committee, when affirmatively determining the independence of such member, the Board will consider all factors specifically relevant to determining whether such director has a relationship to the Company which is material to that director’s ability to be independent from management in connection with the duties of a member of the Committee, including, at a minimum:

- the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director, and whether the director receives compensation from any person or entity that would impair his ability to make independent judgments about the Company's executive compensation; and
- whether such director is affiliated with the Company, a subsidiary or consolidated affiliated entity of the Company or an affiliate of a subsidiary or consolidated affiliated entity of the Company, including whether the affiliate relationship places the director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair his ability to make independent judgments about the Company's executive compensation.

All members of the Committee will be appointed by, and will serve at the discretion of, the Board. The Board may appoint a member of the Committee to serve as the chairperson of the Committee ("**Chair**"); if the Board does not appoint a Chair, the Committee members may designate a Chair by their majority vote. The Chair will set the agenda for Committee meetings and conduct the proceedings of those meetings.

### **III. RESPONSIBILITIES AND DUTIES**

The principal responsibilities and duties of the Committee in serving the purposes outlined in Section I of this Charter are set forth below. These duties are set forth as a guide, with the understanding that the Committee will carry them out in a manner that is appropriate given the Company's needs and circumstances. The Committee may engage in such other activities, and establish such policies and procedures, from time to time as it deems necessary or advisable in implementing this Charter.

The Committee will:

1. Annually review the Company's overall compensation strategy, including base salary, incentive compensation and equity-based grants, to assure that it promotes shareholder interests and supports the Company's strategic and tactical objectives, and that it provides for appropriate rewards and incentives for the Company's management and employees taking into consideration whether such rewards and incentives encourage undue or inappropriate risk taking by Company personnel.
2. Annually review and approve the goals and objectives to be considered in determining the compensation of the Company's Chief Executive Officer ("**CEO**") and other "executive officers" as defined under Rule 3b-7 promulgated under the Exchange Act (collectively with the CEO, the "**Executive Officers**"), and evaluate their performance in light of these goals and objectives.

Based on this evaluation, including an evaluation of the Company's performance, the Committee will have the sole authority, subject to any approval by the Board which the Committee or legal counsel determines to be desirable or is required by applicable law or the Listing Rules, to make decisions respecting (i) the salary paid to the Executive Officers, (ii) the grant of all cash-based incentive compensation and equity-based compensation to the Executive Officers, (iii) the entering into or amendment or extension of any offer letter, employment contract or similar arrangement with the Executive Officers, (iv) the entering

into or amendment or extension of any Executive Officer severance or change in control arrangements, and (v) any other Executive Officer compensation matters; provided that the Committee may take account of the recommendations of the Board (or any Board member) with respect to Executive Officer compensation.

Among the other factors that the Committee may consider when evaluating Executive Officer compensation are (a) consistency with the Company's compensation strategy, (b) internal equity considerations, (c) competitive practices, and (d) applicable legal, accounting and regulatory considerations. In connection with such determinations, the Committee will review all aspects of Executive Officer compensation, including review of the potential pay-outs in the event of retirement, termination with or without cause, and severance in connection with a change in control transaction, under a range of economic scenarios. The Committee also may take account of the recommendations of the CEO with respect to other Executive Officers for each of the foregoing items. The CEO may not be present at any Committee meeting involving voting or deliberations regarding the CEO's compensation. In determining the long-term incentive component of CEO compensation, the Committee may consider the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the CEO in past years.

3. Annually review and make recommendations to the Board with respect to adoption and approval of, or amendments to, all cash-based and equity-based incentive compensation plans, programs and similar arrangements, any discretionary bonuses, employee pension or welfare benefit plans, and the cash amounts and aggregate number of shares reserved for issuance thereunder, after taking into consideration the Company's strategies with respect to cash-based and equity-based compensation.

4. Review and approve policies and procedures relating to perquisites of Executive Officers.

5. Administer and interpret the Company's cash-based and equity-based compensation plans and agreements thereunder.

In addition to the authority to delegate to a subcommittee as set forth below, the Committee may adopt an equity grant policy and delegate to the CEO (either alone or acting together with one or more other officers of the Company), the authority within limits imposed by such policy and applicable law and the Listing Rules, to approve cash awards or make equity awards to employees of the Company or any subsidiary or consolidated affiliated entity of the Company who are not Executive Officers or directors of the Company. Committee members shall be informed in writing (which may be email) of any equity awards made pursuant to such delegation, which report shall include each grantee's name, grant date, type of award, exercise price (if applicable) and number of shares.

6. Meet with the CEO annually to discuss the incentive compensation programs to be in effect for the Executive Officers and for other employees of the Company or any Company subsidiary or consolidated affiliated entity for such fiscal year, the corporate goals and objectives relevant to those programs, and the performance targets applicable to the Executive Officers and, where appropriate, other employees of the Company or any subsidiary or consolidated affiliated entity.

7. Recommend, for determination by the Board, the form and amount of cash-based and equity-based compensation to be paid or awarded to the Company's non-employee members of the Board, including compensation for service on the Board or committees of the Board.

8. Oversee the Company's compliance with regulatory requirements associated with compensation of its directors, officers and employees, and review the Company's compliance program relating to restrictions on securities transactions by the Company and its Executive Officers and directors.

9. Periodically review the Company's procedures with respect to employee loans. The Committee will not approve any arrangement in which the Company, directly or indirectly, extends or maintains credit, arranges for the extension of credit or renews an extension of credit, in the form of a personal loan to or for any director or Executive Officer (or equivalent thereof) of the Company. The Committee will assist the Board and management of the Company in complying with this prohibition.

10. Perform any other activities required by applicable law, rules or regulations, including the Listing Rules and the Commission Rules, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate consistent with its purpose.

#### **IV. STUDIES AND ADVISERS**

The Committee, in discharging its responsibilities, may conduct, direct, supervise or authorize studies of, or investigations into, any matter that the Committee deems appropriate, with full access to all books, records, facilities and personnel of the Company. The Committee has the sole authority and right, at the Company's expense, to retain compensation and other consultants, legal counsel, accountants, experts and advisers of its choice to assist the Committee in connection with its functions, including any studies or investigations, and shall have direct oversight of the work performed by such advisers. In connection with the retention of such advisers (other than in-house legal counsel), the Committee shall consider the factors related to the independence of such advisers, including with respect to each such adviser (or the adviser's employer): (a) the provision of other services to the Company by such adviser (or their employer); (b) the amount of fees received from the Company, as a percentage of the total revenue of such adviser (or their employer); (c) the policies and procedures of such adviser (or their employer) that are designed to prevent conflicts of interest; (d) any business or personal relationship of such adviser (or their employer) with a member of the Committee or an Executive Officer; (e) any shares of Company share capital or other Company securities owned by such adviser (or their employer); and (f) such other factors as the Committee deems relevant or may be required from time to time by Commission Rules or Listing Rules; provided that nothing herein requires that compensation advisers must be independent – rather that the enumerated independence factors be considered before selecting or otherwise receiving advice from such an adviser.

The Committee will have the sole authority to approve the fees and other retention terms of such advisers. The Company will provide for appropriate funding, as determined by the Committee, for:

- payment of compensation to any legal counsel, compensation and other consultants, accountants, experts and advisers retained by the Committee;
- ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions; and
- the commission of any necessary studies or surveys concerning the levels of executive compensation payable in the industry in which the Company is engaged and in other related industries or obtaining recommendations from outside/independent consultants concerning comparable compensation programs.

Irrespective of the retention of compensation and other consultants, legal counsel, accountants, experts and advisers to assist the Committee, the Committee shall exercise its own judgment in fulfillment of its functions.

## **V. MEETINGS, ACTIONS WITHOUT A MEETING AND STAFF**

Meetings of the Committee shall be held at least once each year or more frequently, as deemed appropriate by the Committee. The Chair, in consultation with the other member(s) of the Committee will set the dates, times and places of such meetings. The Chair or any other member of the Committee may call meetings of the Committee by notice in accordance with the Company's memorandum and articles of association. A quorum of the Committee for the transaction of business will be a majority of its members. Meetings may be held via telephonic- or video-conference. The Committee may also act by unanimous written consent in lieu of a meeting in accordance with the Company's memorandum and articles of association.

Subject to the requirements of this Charter, applicable law, the Listing Rules and the Commission Rules, the Committee and the Chair may invite any director, executive or employee of the Company, or such other person, as it deems appropriate in order to carry out its responsibilities, to attend and participate (in a non-voting capacity) in all or a portion of any Committee meeting. The Committee may exclude from all or a portion of its meetings any person it deems appropriate in order to carry out its responsibilities. The Chair will designate a secretary for each meeting, who need not be a member of the Committee.

## **VI. MINUTES AND REPORTS**

The Committee will maintain written minutes of its meetings and copies of its actions by written consent, and will cause such minutes and copies of written consents to be filed with the minutes of the meetings of the Board. The Chair will report to the Board from time to time with respect to the activities of the Committee, including on significant matters related to the Committee's responsibilities and the Committee's deliberations and actions. The minutes of the Committee and actions by the unanimous written consent of the Committee members will be made available to the other members of the Board.

## **VII. DELEGATION OF AUTHORITY**

The Committee may from time to time, as it deems appropriate and to the extent permitted under applicable law, the Listing Rules and the Commission Rules, and the Company's memorandum and articles of association, form and delegate authority to subcommittees (consisting of one or more members).

## **VIII. COMPENSATION**

Members of the Committee will receive such fees, if any, for their service as Committee members as may be determined by the Board, which may include additional compensation for the Chair.

## **IX. REVIEW OF COMMITTEE CHARTER**

The Committee will review and assess the adequacy of this Charter periodically, and recommend to the Board any changes the Committee determines are appropriate.

## **X. PUBLICATION**

The Company will make this Charter freely available to shareholders on request and, provided that the Company is subject to the periodic reporting requirements of the Exchange Act, publish it on the Company's website.