

# UP FINTECH HOLDING LIMITED

## CORPORATE GOVERNANCE GUIDELINES

(Adopted by the Board of Directors of UP Fintech Holding Limited, on February 21, 2019, effective on March 19, 2019, and amended and restated on May 14, 2019)

### 1. The Mission of the Board of Directors

The Board of Directors (the "**Board**") of UP Fintech Holding Limited (the "**Company**") represents the owners' interest in perpetuating a successful business, including optimizing long-term financial returns. The Board is responsible for determining that the Company is managed in such a way as to seek to accomplish this result. This is an active, not a passive, responsibility. The Board has the objective that in good times, as well as difficult ones, management is capably executing its responsibilities. The Board's responsibility is to regularly monitor the effectiveness of management policies and decisions including the execution of its strategies.

### 2. Selection and Composition of the Board

#### a) Board Membership Criteria

The Nominating and Corporate Governance Committee periodically reviews (at least annually) the mix of skills, experience levels and backgrounds of present and potential Board members in light of the Company's operating requirements and other considerations that the Nominating and Corporate Governance Committee or the Board deems appropriate.

#### b) Selection and Orientation

The Nominating and Corporate Governance Committee reviews qualifications of potential candidates and recommends director nominees to the full Board. The Nominating and Corporate Governance Committee may receive suggestions for candidates from individual Board members, including the Company's Chief Executive Officer (the "**CEO**"), as well as from shareholders of the Company. While the Nominating and Corporate Governance Committee has no specific minimum qualifications for director nominees, the Nominating and Corporate Governance Committee has adopted a policy regarding critical factors to be considered in selecting director nominees which include: the nominee's personal and professional ethics, integrity and values; the nominee's intellect, judgment, foresight, skills, experience (including understanding of marketing, finance, the Company's technology and other elements relevant to the success of a company such as the Company) and achievements, all of which are viewed in the context of the overall composition of the Board; the absence of any conflict of interest (whether due to a business or personal relationship) or legal impediment to, or restriction on, the nominee serving as a director; and representation of the long-term interests of the shareholders as a whole and a diversity of backgrounds and expertise, which are most needed and beneficial to the Board and the Company.

Each of the directors is expected to devote the time and effort necessary to understand the business of the Company and to properly discharge such director's

responsibilities. New directors are required to participate in the Company's director orientation program to familiarize such directors with, among other things, the Company's business, and significant financial, accounting and risk management issues, principal executive officers, independent accountants and internal auditors, code of ethics and corporate governance guidelines. The Company encourages its directors to attend at least one continuing education program each year to assist them in performing their Board responsibilities.

c) **Extending the Invitation to a Potential Director to Join the Board**

The invitation to join the Board should be extended by the Chair of the Board.

**3. Board Leadership**

a) **Selection of Chairman and CEO**

The Board is free to make its choice for Chair of the Board (the "Chairman") and CEO in any way that the Board considers best for the Company at a given point in time. Therefore, the Board does not have a policy on whether or not the role of the CEO and Chairman should be separate and, if it is to be separate, whether the Chairman should be selected from the non-employee directors or be an employee director.

b) **Access to Independent Advisors**

The Board and its Committees have access to such independent advisors as the Board or the relevant Committee (consistent with the provisions of its charter) deem necessary and appropriate.

c) **Size of Board**

The number of directors shall be established by the Board in accordance with the Memorandum and Articles of Association as in effect from time to time. The Board periodically reviews the appropriate size of the Board, which may vary from time to time to accommodate the availability of suitable candidates and the needs of the Company.

d) **Mix of Inside and Independent Directors**

On matters of corporate governance, the practice is to involve the full Board.

e) **Independence of Directors**

The Board shall annually review the relationships that each director has with the Company. Following such an annual review, only those directors who the Board affirmatively determines do not have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the

responsibilities of a director, and who otherwise meet the definition of independent director under the applicable listing rules, will be considered independent directors.

The Audit Committee shall be composed entirely of independent directors satisfying applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such Committee.

f) **Directors Who Change Their Present Job Responsibilities**

Any director who has a significant change in occupation, resigns, or retires from his or her principal employment shall submit to the Nominating and Corporate Governance Committee an offer of resignation from the Board.

g) **Service on Boards of Other Companies**

Directors are encouraged to limit the number of other boards on which they serve, taking into account potential board attendance, participation and effectiveness on these boards. The Board does not, however, believe that explicit limits on the number of other boards on which the directors may serve are appropriate. Directors should also advise the Chairman and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another board.

h) **Retirement Age and Term Limits**

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Nominating and Corporate Governance Committee, in conjunction with the CEO, formally reviews each director's continuation on the Board every year. This also allows each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.

The Board has adopted a policy that, unless the Board determines in a particular instance that longer tenure is in the best interests of the Company and its shareholders: (i) no director shall be nominated for re-election at an annual shareholders meeting coinciding with or next following his or her 72nd birthday and (ii) inside directors shall retire on the date of their retirement or termination of employment with the Company or its affiliates.

#### **4. Board Compensation**

The form and amount of director compensation is approved by the Board, upon recommendation of the Compensation Committee. In making its recommendation, the Compensation Committee considers: (a) both direct and indirect forms of compensation to the Company's directors, including any charitable contributions by the Company to organizations in which a director is affiliated and consulting or other similar arrangements between the Company and a director, and (b) the impact on the director's independence of the amount and form of director compensation. The Company's Human Resources Department

monitors director compensation in relation to other comparable U.S. companies on an ongoing basis and recommends to the Compensation Committee changes in the Company's director compensation program it deems appropriate. The Compensation Committee may also, in its sole discretion after considering such independence factors as may be required by the applicable listing rules or applicable SEC rules, retain or obtain the advice of a compensation consultant, legal counsel or other advisor to assist it as the Compensation Committee determines necessary or appropriate.

## **5. Board Performance**

### **a) Assessing the Board's Performance**

At least annually, the Board will conduct a self-evaluation utilizing a questionnaire, a third party facilitator and/or other appropriate means developed by the Nominating and Corporate Governance Committee and approved by the Board. The self-evaluation will be designed to assess the Board's contribution as a whole and the contributions of the committees of the Board and to specifically review areas in which the directors believe a better contribution could be made. The purpose is to increase the effectiveness of the functions of the Board, not to target individual Board members. In addition, each of the Board's committees conducts an annual self-evaluation. The Nominating and Corporate Governance Committee will manage the Board review process.

### **b) Board Interaction with Institutional Investors, the Press, Customers, etc.**

The Board believes that management generally should speak for the Company. While individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, it is expected that Board members would do this with the knowledge of management and, in most instances, at the request of management. In its discretion, the Board may interact with the Company's shareholders as appropriate.

## **6. Board Relationship to Senior Management**

### **a) Regular Attendance of Non-Directors at Board Meetings**

The Legal Director and/or the Secretary are the only non-directors generally present at each Board meeting for its duration. The officers who compose the senior management attend meetings for operational, financial and related presentations. Other officers attend on an invitation basis for presentations or other purposes.

### **b) Board Access to Senior Management**

Board members have complete access to Company management. It is assumed that Board members will use judgment to be sure that this contact is not distracting to the Company and that such contact, if in writing, be copied to the CEO. Furthermore, the Board encourages management to, from time to time, bring managers into Board meetings who: (i) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (ii) represent

managers with future potential that senior management believes should be given exposure to the Board.

## **7. Meeting Procedures**

### **a) Board Meetings**

Directors are expected to attend in person and participate in Board and committee meetings, and to participate telephonically when they are unable to attend in person. On occasions when a director is unable to attend a meeting, he or she is expected to notify the Chairman or appropriate committee in advance of such meeting.

The Chairman, in consultation with other Board members or members of management, as appropriate, establishes the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda.

Any member of the Board may act to convene the Board as necessary or desirable in the event the Chairman is incapacitated.

### **b) Board Materials**

Financial and economic information about the Company is provided to the Board on a regular basis. Generally information and data that is important to the Board's understanding of the business to be conducted at a meeting will be distributed in writing to the Board an adequate time before the Board meets. Management will make every attempt to see that this material is as brief as possible while still providing the desired information. On those occasions in which the subject matter is too sensitive to put on paper, the Chairman may elect to contact each director by telephone in advance of the meeting to notify them of the principle issues the Board will consider. Directors are expected to review and devote appropriate time to studying Board materials.

### **c) Board Presentations**

As a general rule, presentations on specific subjects are sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material.

## **8. Committee Matters**

### **a) Number of Committees**

There are currently three standing Board committees: (i) Audit, (ii) Compensation, and (iii) Nominating and Corporate Governance. The Board may form, merge or dissolve any Committee the Board determines in the best interests of the Company, to the extent consistent with the applicable listing rules.

### **b) Committee Assignment and Rotation**

The Board has not adopted a specific tenure policy for Committee Chairs. Committee assignments, including Chairs, are evaluated annually and rotated as

appropriate. All Committee changes are approved by the Board, upon recommendation of the Nominating and Corporate Governance Committee.

c) **Committee Agenda**

The Chair of the Committee in consultation with, as appropriate, other members of the Committee and members of management, develops the Committee's agenda. A preliminary annual schedule of Committee agenda subjects is issued each year. The final agenda is set by the Committee Chair in consultation with, as appropriate, other members of the Committee and members of management prior to each meeting. Each Committee's agenda is shared with the Board.

d) **Committee Charters**

The standing Committees operate pursuant to their charters adopted by the Board, which set forth the responsibilities and procedures that the Committee must follow. Each Committee annually reviews its charter and recommends to the Board any changes it deems necessary.

**9. Leadership Development**

a) **Formal Evaluation of the CEO**

The Chairman and the Compensation Committee will review and approve corporate goals and objectives for CEO compensation and evaluate the CEO's performance in light of those goals and objectives. The Compensation Committee will then determine and approve the CEO's compensation level. The Board will provide input to the Chairman and the Compensation Committee on the appropriate goals and objectives for the CEO and the CEO's performance against those goals and objectives.

b) **Succession Planning and Management Development**

The Board shall adopt a succession plan for key management personnel, including the position of CEO, if necessary. The CEO will review the succession plan upon the CEO's retirement and in the event of an emergency.

The Board will oversee the creation and maintenance of a program of management development. The CEO will review the program periodically with the Board.