

Wins Finance Holdings Inc.

COMPENSATION COMMITTEE CHARTER

Purpose of the Committee

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Wins Finance Holdings Inc., a Cayman Islands company (the “Company”), is to (i) oversee the Company’s compensation and employee benefit plans and practices, including its executive, director, and other incentive and equity-based compensation plans, and (ii) if applicable, to review and discuss with management the Company’s compensation discussion and analysis (“CD&A”) to be included in the Company’s annual proxy statement or annual report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) and to prepare a Compensation Committee Report as required by the rules and regulations of the SEC.

This Compensation Committee Charter (this “Charter”) should be interpreted in the context of all applicable statutes and regulations of the United States, The Nasdaq Stock Market LLC (“Nasdaq”) Listing Rules, and the Company’s Memorandum and Articles of Association, as in effect from time to time, including Section 10C of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), SEC Rule 10C-1 under the Exchange Act and Nasdaq Listing Rule 5605. However, this Charter is not intended in itself to establish any legally-binding obligations on the Company, the Board, or the Committee.

Composition of the Committee

The Committee will be composed of not less than two members of the Board, each of whom (a) in the judgment of the Board qualifies as an Independent Director under Rule 10C-1(b)(1) under the Exchange Act and Rule 5605(a)(2) of the Nasdaq Listing Rules, (b) does not accept directly or indirectly any consulting, advisory or other compensatory fees from the Company or any subsidiary or variable interest entity (“VIE”) of the Company (as provided in the Nasdaq Listing Rules, compensatory fees for such purpose will not include: (i) fees received as a member of the Board, the Committee, or any other committee of the Board; or (ii) fixed amounts of compensation under a retirement plan, including deferred compensation, for prior service with the Company, provided that such compensation is not contingent in any way on continued service), and (c) in the judgment of the Board, if and to the extent that a proposed member of the Committee is affiliated with the Company, affiliated with a subsidiary or VIE of the Company, or affiliated with an affiliate of a subsidiary or VIE of the Company, such affiliation would not impair such proposed member’s judgment as a member of the Committee. Members of the Committee must also qualify as “nonemployee directors” within the meaning of SEC Rule 16b-3 under the Exchange Act, and, if and to the extent the Committee is charged with determining the compensation of a U.S. taxpayer, as “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. The members of the Committee will be appointed by and serve at the pleasure of the Board.

Vacancies on the Committee will be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy, or by written consent of the Board at any time. Members of the Committee may be removed only with approval of a majority of the Board.

Meetings and Procedures of the Committee

The Committee may fix its own rules of procedure, provided they are consistent with the

Company's Memorandum and Articles of Association and this Charter. The Committee will meet at least once annually or more frequently as circumstances or such rules of procedure as it may adopt require. The Board may designate one member of the Committee as its Chair and, in the absence of any such designation by the Board, the Committee may designate by majority vote of the full Committee one member of the Committee as its Chair. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other will constitute a quorum.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Company's Co-Chief Executive Officers ("Co-CEOs," which will, in the event there is only one chief executive officer, refer to chief executive officer) may not be present during voting or deliberations on the Co-CEOs' compensation.

The Committee will report to the Board on Committee findings, recommendations and other matters the Committee deems appropriate or that the Board requests. The Committee will keep written minutes of its formal meetings, which minutes will be maintained with the books and records of the Company.

Committee Responsibilities

A. Executive Compensation

The Committee will have the following authority and responsibilities with respect to the Company's executive compensation arrangements:

- a. To review the goals and objectives of the Company's executive compensation programs, and change, or recommend that the Board change, these goals and objectives if the Committee deems it appropriate.
- b. To review the Company's executive compensation plans in the light of the Company's goals and objectives with respect to such plans, and, if the Committee deems it appropriate, adopt, or recommend to the Board the adoption of, new or amended executive compensation plans, subject, in the case of any equity based plan, to such shareholder approval as is required by the Nasdaq Listing Rules.
- c. To periodically review whether the Company's compensation policies and practices for the Company's executive officers create risks that are reasonably likely to have a material adverse effect on the Company.
- d. To evaluate annually the performance of the Co-CEOs, and to set their compensation levels based on this evaluation. In determining the long-term incentive component of the Co-CEOs' compensation, the Committee should consider all factors it deems relevant and appropriate, which may include, among other things, the performance and desired future performance of the Co-CEOs, the Company's performance and relative shareholder return, the value of similar awards to chief executive officers of comparable companies, and awards given to the Co-CEOs of the Company in prior years.
- e. To evaluate annually the performance of the other executive officers of the Company, and to approve the compensation level of each such executive officer based on this evaluation. The Committee may consider the recommendations of the Co-CEOs and other officers in determining the level of compensation of the other executive officers to the extent it deems appropriate. To the extent that long-term incentive compensation is a component of any such executive officer's compensation, the Committee should consider

all factors it deems relevant and appropriate in determining the appropriate level of such compensation, which may include, among other things, the factors applicable with respect to the Co-CEOs.

- f. To review and approve any employment, severance or termination arrangements to be made with any current or former executive officer of the Company.
- g. To perform such duties and responsibilities as may be assigned to the Committee or to the Board (to the extent such duties and responsibilities have been delegated by the Board to the Committee) under the terms of any executive compensation plan.
- h. To approve material prerequisites or other personal benefits to the Company's executive officers.
- i. For so long as the Company is required to file an annual proxy statement and/or an annual report on Form 10-K, to review and discuss with management the Company's CD&A, and based on that review and discussion, to recommend to the Board that the CD&A be included in the Company's annual proxy statement or annual report on Form 10-K.
- j. For so long as the Company is required to file an annual proxy statement and/or an annual report on Form 10-K, to prepare a Compensation Committee Report in accordance with the rules and regulations of the SEC for inclusion in the Company's annual proxy statement or annual report on Form 10-K.

B. Incentive and Equity-Based Compensation Plans

The Committee will have the following responsibilities with respect to the Company's incentive and equity-based compensation plans:

- a. To review the goals and objectives of the Company's incentive and equity-based compensation plans and recommend that the Board change these goals and objectives if the Committee deems it appropriate.
- b. To review the Company's incentive and equity-based compensation plans in the light of the goals and objectives of these plans and recommend that the Board amend these plans if the Committee deems it appropriate, subject, in the case of any equity-based plan, to such shareholder approval as is required by the Nasdaq Listing Rules.
- c. To review any new equity-based plans and recommend that the Board approve such plans if the Committee deems it appropriate, subject to such shareholder approval as is required by the Nasdaq Listing Rules.
- d. To establish criteria for the granting of options and other equity grants to the Company's officers and other employees and approve the granting of options and other equity grants in accordance with such criteria.
- e. To establish performance goals and certify that performance goals have been attained, as and when required.
- f. To perform such duties and responsibilities as may be assigned to the Committee or to the Board (to the extent such duties and responsibilities have been delegated by the Board to the Committee) under the terms of any incentive or equity-based compensation plan.

C. Other Compensation and Employee Benefit Plans

- a. To review the goals and objectives of the Company's general compensation plans and other employee benefit plans, and recommend that the Board change these goals and objectives if the Committee deems it appropriate.
- b. To review the Company's general compensation plans and other employee benefit plans in light of the goals and objectives of these plans, and recommend that the Board adopt or amend these plans if the Committee deems it appropriate.
- c. To evaluate the appropriate level and types of compensation for Board and Committee service by non-employee directors, and to recommend changes to the Board if the Committee deems them appropriate.
- d. To perform such duties and responsibilities as may be assigned to the Committee or to the Board (to the extent such duties and responsibilities have been delegated by the Board to the Committee) under the terms of the Company's general compensation plans and other employee benefit plans.

D. Other

The Committee may perform such other activities consistent with this Charter, applicable statutes and regulations of the United States, the Nasdaq Listing Rules, and the Company's Memorandum and Articles of Association as in effect from time to time as the Committee or the Board deems appropriate.

Delegation of Authority

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, that the Committee may not delegate to a subcommittee any power or authority required by any statute or regulation of the United States, the Nasdaq Listing Rules, or the Company's Memorandum and Articles of Association to be exercised by the Committee as a whole. The Committee may also delegate to one or more officers of the Company certain of its powers specified in the Company's equity incentive plan or plans as in effect from time to time.

Independent Outside Advisers

The Committee may conduct or authorize detailed analyses of matters within the Committee's scope of responsibilities. To that end, the Committee may retain or obtain the advice of such compensation consultants, legal counsel, and other advisers as it deems necessary or appropriate. The Committee will have the direct power to appoint, will have direct oversight of the work of, and will have the direct power and authority to determine the reasonable compensation (at the Company's expense¹) of, any such compensation consultant, independent legal counsel or other adviser. Prior to retaining any such compensation consultant, legal counsel, or other adviser, the Committee will consider factors affecting its independence that are competitively neutral among categories of consultants, legal counsel, or other

¹ SEC Rule 10C-1 under the Exchange Act and Nasdaq Listing Rule 5605(d)(3)(C) require that the Company provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such compensation consultant, independent legal counsel or other adviser to the Committee.

advisers, such factors to include at least the following²

- a. the provision of other services to the Company by employer of the compensation consultant, legal counsel or other adviser;
- b. the amount of any fees received from the Company by the employer of the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of such employer;
- c. the policies and procedures of the employer of the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- d. Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;
- e. Any ordinary shares of or other shares of equity capital of the Company owned by the compensation consultant, legal counsel or other adviser³ and
- f. Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

Nothing in this Charter, the Exchange Act, the rules of the SEC under the Exchange Act, or the Nasdaq Listing Rules should be construed by the Committee as (i) requiring the Committee to act consistently with the advice or recommendations of any such compensation consultant, independent legal counsel or other adviser or (ii) limiting the Committee's ability or obligation to exercise its own judgment in the fulfillment of its duties.

² Nasdaq Listing Rule 5605 indicates that the rule does not require a compensation consultant, legal counsel or other outside adviser to be independent, only that a compensation committee consider independence factors enumerated in Listing Rule 5605(a) before selecting, or receiving advice from, a compensation consultant, legal counsel or other outside adviser, and that compensation committees may select, or receive advice from, any compensation consultant, legal counsel or other outside adviser they prefer, including ones that are not independent, after considering the six outlined independence factors

³ The Committee may consider that Nasdaq in the past has indicated that, while a board may conclude differently with respect to individual facts and circumstances, Nasdaq does not believe that ownership of shares of a company's equity capital by itself, or possession of a controlling interest through ownership shares of a company's equity capital by itself, precludes a board finding that it is appropriate for a director to serve on the compensation committee. In fact, Nasdaq has indicated that it may be appropriate for certain affiliates, such as representatives of significant shareholders, to serve on compensation committees, since their interests are likely aligned with those of other shareholders in seeking an appropriate executive compensation program.