

## TEN HOLDINGS, INC.

### COMPENSATION COMMITTEE CHARTER

The Board of Directors (the “Board”) of TEN Holdings, Inc. (the “Company”) hereby sets forth the authority and responsibilities of the Compensation Committee (the “Committee”) as described below, subject to amendment by the Board from time to time:

#### **Statement of Purpose**

The purpose of the Committee is to: (i) oversee the Company’s compensation philosophy generally, (ii) seek to ensure that compensation decisions both represent sound fiscal policy as well as enable the Company to attract and motivate qualified personnel, (iii) advise the Board on, and facilitate the Board’s oversight of, the compensation of the Board, the Company’s Chief Executive Officer (“CEO”), and the other executive officers of the Company and (iv) oversee the Company’s management resources, succession planning and management development activities.

#### **Organization**

The Committee will be comprised of two or more directors, except as permitted under any applicable “phase-in” period under the NASDAQ Stock Market Rules, as determined by the Board and all of whom shall be independent. To be considered independent the director must meet the requirements of the definition of “Independent Director” under Rule 5605(a)(2) of the NASDAQ Stock Market Rules and the requirements of Rule 5605(d)(2)(A) of the NASDAQ Stock Market Rules and Rule 10C-1(b)(1) of the rules and regulations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In addition, at least two members shall meet the requirements to qualify as a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act.

The Committee may form and delegate authority to subcommittees, each consisting of one or more of its members, with such powers as the Committee shall from time to time confer. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of the members of the Committee who are (a) “non-employee directors” within the meaning of Rule 16b-3 under the Exchange Act, or (b) “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”). The Board may remove members of the Committee from such Committee, with or without cause.

#### **Operating Principles**

In fulfilling its functions and responsibilities, the Committee should give due consideration to the following operating principles and processes:

1. **Communication.** Regular and meaningful contact throughout the year with the Chairman of the Board, other committee chairpersons, members of senior management and other key Committee advisors, as applicable, is viewed as important for strengthening the Committee’s knowledge of sound compensation and human resources policies.

2. Committee Expectations and Information Needs. The Committee should communicate to the CEO or his designee the expectations of the Committee, and the nature, timing and extent of any specific information or other supporting materials requested by the Committee, for its meetings and deliberations.
3. Resources. The Committee shall be authorized to access, at the Company's expense, such internal and external resources, including retaining legal, financial and other advisors, as the Committee, in its sole discretion, deems necessary or appropriate to fulfill its responsibilities. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other advisor, including the sole authority to approve fees, costs and other terms of engagement of outside resources such as compensation consultants. In selecting a compensation consultant, legal counsel or other advisor, the Committee will take into account all factors it considers appropriate as well as such criteria as may be required by applicable law or listing standards.
4. Meeting Agendas. The Committee meeting agendas shall be the responsibility of the Committee chairperson with input from the Committee members and other members of the Board, with additional input from members of senior management and outside advisors to the extent deemed appropriate by the chairperson.
5. Committee Meeting Attendees. The Committee shall be authorized to request members of senior management, outside counsel and other advisors to participate in Committee meetings.
6. Reporting to the Board of Directors. The Committee shall maintain the minutes of meetings and, through the Committee chairperson, shall report to all material activities of the Committee to the Board from time to time or whenever so requested by the Board. In addition, minutes from Committee meetings should be distributed to each Board member prior to the subsequent Board meeting.

## **Duties and Responsibilities**

The following are the duties and responsibilities of the Committee (in addition to any others that the Board may from time to time delegate to the Committee):

1. Executive Officer Compensation. The Committee shall review and approve individual and corporate goals and objectives relevant to executive officer compensation and shall evaluate the performance of executive officers in light of those goals and objectives. Based on this evaluation, the Committee shall review and approve, or recommend for approval by the independent directors (as directed by the Board) executive officer compensation, including salary, bonus and incentive compensation, deferred compensation, perquisites, equity compensation, benefits provided upon change in control, retirement, severance or other termination of employment, and any other forms of executive compensation.
2. CEO Compensation. The Committee shall annually review and approve, or recommend for approval by the independent directors (as directed by the Board) the CEO's compensation based on the Committee's evaluation of the CEO's performance in light of

the overall compensation strategy. The Committee will deliberate and vote on the CEO's compensation outside the presence of the CEO.

3. Senior Management Assessment. The Committee shall periodically review, discuss and assess the performance of senior management in light of the relevant corporate and individual performance goals and objectives, seeking input from the CEO, individual members of senior management, the full Board and others. The purpose of the review is to increase the effectiveness of senior management as a whole and on an individual basis.
4. Plan Recommendations and Approvals. The Committee shall make recommendations to the Board regarding the adoption of new incentive compensation plans and equity-based plans, as well as the Company's 401(k) plan, and administer the Company's existing incentive compensation plans and equity-based plans, including reviewing and approving stock option grants and outside valuations of the common stock of the Company underlying such grants. To the extent permitted by applicable law, stock exchange rule and the provisions of a specific equity-based plan, the Committee may delegate to one or more executive officers of the Company the power to grant options or other equity awards, and amend the terms of such awards, pursuant to such equity based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company, such power to be limited to the parameters set forth in the applicable resolutions adopted by the Committee. The Committee shall review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.
5. Director Compensation. The Committee shall review and recommend to the Board the compensation paid to non-employee Directors for their service on the Board and on its committees. In making its recommendations, the Committee shall give due consideration as to what is customary compensation for directors of comparable companies and any other factors it deems consistent with the policies and principles set forth in this Charter and the Company's Corporate Governance Guidelines.
6. Filings. The Committee shall:
  - a. review and discuss with Company management the compensation discussion and analysis required to be included in the Company's filings with the Securities and Exchange Commission, when applicable, and, based on such review and discussion, in the case of compensation discussion and analysis proposed to be included in the Company's annual proxy statement or annual report on Form 10-K, recommend to the Board of Directors whether the compensation discussion and analysis should be included in such proxy statement or annual report, as the case may be; and
  - b. prepare an annual compensation committee report for inclusion in the Company's annual proxy statement.

7. Non-Executive Compensation and Benefits Plans. The Committee shall review and approve the general design and terms of any significant non-executive compensation and benefits plans including as relevant: incentive compensation, bonus programs, profit sharing goals and payouts and the introduction or material modification of health, welfare and retirement plans or other material employee perquisite plans.
8. Human Resources Policies. The Committee shall periodically review the Company's significant policies, practices and procedures concerning human resource related matters, primarily those focused on equal employment, hiring and promotion practices and commission pay structures, as well as the general processes and procedures of the Company's internal compensation committee.
9. Succession Planning. The Committee shall oversee the maintenance, and presentation to the Board, of management's plans for succession to senior management positions in the Company, including the position of CEO.
10. Independence of Consultants and Advisors. The Committee shall review any potential or possible conflicts of interest with any compensation consultant or other advisor, including a review of the following factors: (i) the provision of other services to the Company; (ii) the amount of fees received from the Company as a percentage of the total revenue of the compensation consultant or advisor; (iii) the policies and procedures of the compensation consultant or advisor that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the compensation consultant or advisor with a member of the Committee; (v) any stock of the Company owned by the compensation consultant or advisor; and (vi) any business or personal relationship of the compensation consultant or advisor with an executive officer of the Company. The Committee shall also evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.
11. Oversight and Compensation of Consultants and Advisors. The Committee shall oversee work performed by any compensation consultant or other advisor engaged by the Committee and shall be responsible for the payment of reasonable compensation to any such compensation consultant or other advisor.
12. Compensation Recovery Policy. Pursuant to the Company's Compensation Recovery Policy, the Committee shall review the incentive based compensation of current and applicable former executive officers and determine and recommend to the Board what recovery actions, if any, the Company should take in order to comply with such policy.
13. Stock Ownership Guidelines. The Committee shall determine stock ownership guidelines for the directors and executive officers and monitor compliance with such guidelines.
14. Generally. The Committee shall review such other matters as the Board or the Committee shall deem appropriate.

## **Procedures and Administration**

1. Meetings. The Committee shall hold regularly scheduled meetings and such special meetings as circumstances dictate, and shall meet at least once annually and, to the extent practicable, in conjunction with the regularly scheduled Board meetings. The Committee shall report regularly to the Board on its activities. The Committee shall fix its own rules of procedure.
2. Quorum. A majority of regular members then serving on the Committee shall constitute a quorum at any meeting of the Committee.
3. Procedure. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.
4. Charter. The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Compensation Consultants and Independent Advisors. The Committee is authorized, without further action by the Board, to engage and terminate such compensation consultants, independent legal, accounting, and other advisors as it deems necessary or appropriate to be used to assist in the evaluation of executive officer or Board compensation and to carry out its responsibilities, and shall have the authority to approve the consultant's or advisor's fees. The Committee may also commission various compensation studies it deems appropriate.
6. Subcommittees. The Committee shall have the authority to delegate to subcommittees of the Committee any responsibilities of the full Committee.
7. Expenses. The Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
8. Committee Self-Evaluation. The Committee shall review its performance against the requirements of this Charter annually and shall report to the Board on the results of such evaluation. The Committee's performance evaluation shall be conducted in such manner as the Committee deems appropriate.