

**CHARTER OF THE AUDIT COMMITTEE OF  
THE BOARD OF DIRECTORS  
OF  
YINTECH INVESTMENT HOLDINGS LIMITED (THE  
“COMPANY”)**

(As adopted by the Board of Directors on March 28, 2016)

**Purpose**

The purpose of the Audit Committee (“Committee”) of the Board of Directors (the “Board”) of the Company is to assist the Board in its oversight of (i) the integrity of the Company’s financial statements and financial reporting process and the Company’s systems of internal accounting and financial controls; (ii) the annual independent audit of the Company’s financial statements, the engagement of the independent auditors and the evaluation of the independent auditors’ qualifications, independence and performance; (iii) the performance of the Company’s internal audit function; (iv) the assessment of the Company’s finance-related enterprise risks, such as treasury and investment matters; (v) compliance by the Company with legal and regulatory requirements; and (vi) such other duties as directed by the Board.

**Membership**

The Audit Committee shall consist of one or more members of the Board. For 90 days from the date of effectiveness of the registration statement in connection with the Company’s IPO, at least one member shall be deemed by the Board to be independent and meet independence and experience requirements of Rule 10A-3 of the Securities and Exchange Act of 1934 (the “Exchange Act”) and the listing rules of the Nasdaq Stock Market (the “NASDAQ”) or New York Stock Exchange (the “NYSE”), as applicable. For one year from the date of effectiveness of the registration statement in connection with the Company’s IPO, at least majority committee members shall be deemed by the Board to be independent and meet independence and experience requirements of Rule 10A-3 of the Exchange Act and the Listing Rules of the NASDAQ or NYSE, as applicable. After one year from the date of effectiveness of the registration statement in connection with the Company’s IPO, all committee members shall be deemed by the Board to be independent and meet independence and experience requirements of Rule 10A-3 of the Exchange Act and the Listing Rules of the NASDAQ or NYSE, as applicable.

Committee members shall be appointed by the Board and may be removed by the Board at any time. The Board may appoint the Chairperson of the Committee (the “Chairperson”), or may direct that the members of the Committee elect the Chairperson.

## Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board to the extent permitted by law and the Company's charters, the Committee is responsible for the following matters.

### *Independent Auditor*

- The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (subject, if applicable, to shareholder ratification). Each such accounting firm shall report directly to the Committee.
- The Committee shall pre-approve the audit services and non-audit services to be provided by the Company's independent auditor before the auditor is engaged to render such services pursuant to pre-approval policies and procedures established by the Committee. The Committee may delegate its authority to pre-approve services to the Chairperson of the Committee, provided that such designees present any such approvals to the full Committee at the next Committee meeting.
- The Committee shall discuss with the independent auditor its responsibilities under generally accepted auditing standards, review and approve the planned scope and timing of the independent auditor's annual audit plan(s) and discuss significant findings from the audit, including any problems or difficulties encountered.
- The Committee shall evaluate the independent auditor's qualifications, performance and independence, and shall present its conclusions with respect to the independent auditor to the full Board on at least an annual basis. As part of such evaluation, at least annually, the Committee shall:
  - obtain and review a report or reports from the Company's independent auditor:
    - describing the independent auditor's internal quality-control procedures;
    - describing any material issues raised by (i) the most recent internal quality-control review, or peer review, of the auditing firm, or (ii) any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the auditing firm; and any steps taken to deal with any such issues;

- describing all relationships between the independent auditor and the Company consistent with applicable requirements of the Public Company Accounting Oversight Board, or PCAOB, regarding the independent auditor's communications with the audit committee concerning independence;
  - assuring that Section 10A of the Securities Exchange Act of 1934 has not been implicated;
- review and evaluate the lead audit partner of the independent auditor team(s), as well as other senior members;
- confirm and evaluate the rotation of the audit partners on the audit engagement team partners as required by law;
- consider whether the independent auditor should be rotated, so as to assure continuing auditor independence; and
- obtain the opinion of management and the internal auditors of the independent auditor's performance.
- The Committee shall review the results of the independent audit.
- The Audit Committee shall establish policies for the Company's hiring of current or former employees of the independent auditor.

#### *Internal Auditors*

- At least annually, the Committee shall evaluate the performance, responsibilities, budget and staffing of the Company's internal audit function and review and approve the internal audit plan. Such evaluation shall include a review of the responsibilities, budget and staffing of the Company's internal audit function with the independent auditor.
- At least annually, the Committee shall evaluate the performance of the senior officer or officers responsible for the internal audit function of the Company, and make recommendations to the Board and management regarding the responsibilities, retention or termination of such officer or officers.

#### *Financial Statements; Disclosure and Other Risk Management and Compliance Matters*

- The Committee shall meet to review and discuss with management and the independent auditor:
  - the annual audited financial statements, including reviewing the

Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of the Company's Form 20-F;

- the quarterly financial statements prior to the submission of the Company's Form 6-K;
- The Committee shall review with management, the internal auditors and the independent auditor, in separate meetings whenever the Committee deems appropriate:
  - any analyses or other written communications prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements;
  - the critical accounting policies and practices of the Company;
  - key transactions and related-party transactions, as well as off-balance sheet transactions and structures;
  - any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles;
  - finance-related enterprise risks; and
  - the effect of regulatory and accounting initiatives.
- The Audit Committee, or the Chairman, shall review the Company's earnings press releases prior to public dissemination, the type and presentation of information included in the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- The Committee shall, in conjunction with the Chief Executive Officer and Chief Financial Officer of the Company, review the Company's disclosure controls and procedures and internal control over financial reporting. The review of internal control over financial reporting shall include whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to affect the Company's ability to record, process, summarize and report financial information and any fraud involving management or other employees with a significant role in internal control over financial reporting. The Committee shall also review any special audit steps adopted in light of material control deficiencies.
- The Committee shall review and discuss with the independent auditor any

audit problems or difficulties and management's response thereto, including those matters required to be discussed with the Committee by the auditor pursuant to established auditing standards, as amended, such as:

- any restrictions on the scope of the independent auditor's activities or on access to requested information;
  - any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise);
  - any communications between the audit team and the audit firm's national office regarding auditing or accounting issues presented by the engagement;
  - any management or internal control letter issued, or proposed to be issued, by the auditor; and
  - any significant disagreements between management and the independent auditor.
- In connection with its oversight responsibilities, the Committee shall be directly responsible for the resolution of disagreements between management and the auditor regarding the Company's financial reporting.
  - The Committee shall review and approve all related-party transactions (as defined in Item 7 of Form 20-F), including, but not limited to, transactions between the Company, on the one hand, and enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the Company, on the other hand. The Committee shall consider all relevant factors when determining whether to approve a related-party transaction, including (i) the benefits to the Company of the transaction; (ii) whether such transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances; (iii) the materiality of the transaction to the Company; and (iv) the extent of the related party's interest in the transaction. No director may participate in the approval of any transaction in which such director is a related party, but such director is required to provide the Committee with all material information concerning the transaction.
  - The Committee shall review the Company's policies and practices with respect to risk assessment and risk management, including discussing with management the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures.
  - The Committee shall establish procedures for:
    - the receipt, retention and treatment of complaints received by the

Company regarding accounting, internal accounting controls or auditing matters, and

- the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- The Committee shall review the Company's compliance with laws and regulations, including major legal and regulatory initiatives. The Committee shall obtain regular updates from management and the Company's legal counsel regarding compliance matters.

#### *Reporting to the Board*

- The Committee shall report to the Board periodically on the Committee's deliberations and actions. This report shall include a review of any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the independence and performance of the Company's independent auditor, the performance of the internal audit function and any other matters that the Committee deems appropriate or is requested to include by the Board.
- At least annually, the Committee shall evaluate its own performance and report to the Board on such evaluation.
- The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board.

#### **Authority**

- The Committee has the exclusive authority (without seeking Board approval) to retain special legal, accounting or other advisors to assist the Committee in carrying out its duties, and also has the exclusive authority to determine its advisers' compensation and other terms of their retention.
- The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to meet with any members of, or advisors to, the Committee.
- The Committee is authorized to conduct or authorize investigations into, or studies of, matters within the Committee's scope of responsibility, with full access to all books, records, facilities and personnel of the Company.
- The Committee shall have available appropriate funding from the Company as determined by the Committee for payment of:

- compensation to any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
  - compensation to any advisers employed by the Committee; and
  - ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- The Committee may, to the extent permitted under applicable law and the Company's charters, form subcommittees and delegate authority to them when appropriate.

### **Procedures**

- The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter, but not less frequently than quarterly. The Chairperson of the Committee shall, in consultation with the other Committee members, determine the frequency and length of the committee meetings and shall set meeting agendas consistent with this Charter.
- The Committee shall, as needed, meet separately with management, with internal auditors (or other personnel responsible for the internal audit function) and with the independent auditor.

### **Limitations Inherent in the Committee's Role**

It is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and applicable rules and regulations. This is the responsibility of management and the independent auditor. Furthermore, while the Committee is responsible for reviewing the Company's policies and practices with respect to risk assessment and management, it is the responsibility of the CEO and senior management to determine the appropriate level of the Company's exposure to risk.