

## ATA CREATIVITY GLOBAL

## COMPENSATION COMMITTEE CHARTER

1. **Purpose.** The purpose of the Compensation Committee pursuant to this Compensation Committee Charter (this “Charter”) is to discharge the responsibilities of the Board of Directors (the “Board”) of ATA Creativity Global (the “Company”) relating to compensation of the Company’s executives and directors, including reviewing, evaluating, and, if necessary, revising the compensation plans, policies and programs of the Company, and to take such other actions within the scope of this Charter as the Compensation Committee deems necessary or appropriate.

The Company’s compensation policies should be designed to allow the Company to recruit and retain superior talent, encourage high performance, promote accountability and assure that employee interests are aligned with the interests of the Company’s shareholders.

2. **Compensation Committee Composition.**

- (a) **Membership.** The Compensation Committee will be comprised of two or more members of the Board. All members of the Compensation Committee shall: (a) upon or as soon as practicable after the Company’s initial public offering, and in no event later than the date that is one year anniversary as of the date of completion of the Company’s initial public offering, be independent directors (as determined by the Board) under the independence standards of the Nasdaq Stock Market (“Nasdaq”), which standards are set forth under the definition of “independent director” under Rule 4200(a)(15) of the Nasdaq Marketplace Rules; (b) qualify as non-employee directors under Rule 16b-3 under the Securities Exchange Act of 1934; and (c) qualify as outside directors under Internal Revenue Code Section 162(m), and any applicable law (subject in each case to any exceptions allowed by such rules and any waivers granted by the relevant authorities).

- (b) **Appointment.** The members of the Compensation Committee will be appointed by and serve at the discretion of the Board, upon the recommendation of the Company’s Nominations Committee. Except as provided in this Charter, members of the Compensation Committee will be appointed annually for a term of one year or until their successors have been duly appointed and qualified (if later). Compensation Committee members may be removed, with or without cause, by the Board. Unless the Board appoints a chairperson of the Compensation Committee, the members of the Compensation Committee shall designate a chairperson by majority vote.

3. **Specific Responsibilities and Duties.** The Board delegates to the Compensation Committee the express authority to do the following, to the fullest extent permitted by applicable law and the Company’s memorandum of association and articles of association (the “Constitutional Documents”):

- (a) **Compensation Policies.** Develop, review, evaluate and approve annually the Company’s overall compensation policies, and establish performance-based

incentives that support and reinforce the Company's long-term strategic goals, organizational objectives and shareholder interests.

- (b) **Chief Executive Officer Compensation and Goals.** At least annually, (i) review and approve corporate goals and objectives relevant to the compensation of the chief executive officer ("CEO"); (ii) evaluate the CEO's performance in light of those goals and objectives; (iii) report the results of such evaluation to the Board; and (iv) determine the CEO's compensation level (including, but not limited to, salary, long- and short-term incentive plans, retirement plans, deferred compensation plans, equity award plans, or change in control or other severance plans, as the Compensation Committee deems appropriate) based on this evaluation. The Compensation Committee shall discuss and determine the CEO's compensation in executive sessions, at which sessions the CEO may not be present. By invitation of the Compensation Committee, the CEO may participate in any other Committee discussions and may be present during any other Committee votes.
- (c) **Compensation of Other Executive Officers.** Determine the compensation level of the Company's other executive officers (including, but not limited to, salary, long- and short-term incentive plans, retirement plans, deferred compensation plans, equity award plans, change in control or other severance plans, as the Compensation Committee deems appropriate). Establish, review and approve compensation plans in which any executive officer is eligible to participate. Such compensation plans may include, but are not limited to, long- and short-term incentive plans, retirement plans, deferred compensation plans, equity award plans, or change in control or other severance plans, as the Compensation Committee deems appropriate.
- (d) **Other Senior Officers and Employees.** Receive and evaluate performance target goals for senior officers and employees (other than executive officers) and review periodic reports from the CEO as to the performance and compensation of such senior officers and employees.
- (e) **Incentive Compensation Plan Recommendations.** Make recommendations to the Board with respect to the Company's incentive-compensation plans and equity-based compensation plans and approve for submission to shareholders all new share option and other equity-based compensation plans and any amendments thereto.
- (f) **Performance-Based Awards.** The Compensation Committee shall (to the extent, if any, it determines it to be advisable) grant share options, share appreciation rights, and performance-based awards designed to qualify as performance-based compensation within the meaning of Internal Revenue Code Section 162(m).
- (g) **Compensation Plan Administration.** The Compensation Committee shall administer the Company's equity-based compensation plans adopted by the Board or the Company's shareholders (for which no other administrator is named) (each being referred to as a "Plan," and collectively as the "Plans"), as the same may be

amended and in effect from time to time. As administrator of the Plans, the Compensation Committee may, without limitation:

- (i) Grant options and other awards under the Plans, *provided, however*, that each grant shall satisfy all the applicable terms of the Plan under which it is granted as in effect at the time of grant; and
  - (ii) Take any other action which, by the terms of the applicable Plan, may be taken by the administrator of such Plan.
- (h) **Non-Plan Awards.** The Compensation Committee may grant cash awards which are not pursuant to any Plan and set the terms of such awards. In addition to the Compensation Committee's authority pursuant to the foregoing clause, the Compensation Committee may grant equity-based awards which are not pursuant to any of the Plans identified in clause 3(g); provided that any such award satisfies any approval requirements of applicable law or the rules of the Nasdaq Stock Market (for example, and without limitation, the Compensation Committee may authorize an award grant to a person not previously an employee or director of the Company, or following a *bona fide* period of non-employment, as an inducement material to the individual's entering into employment with the Company).
- (i) **Overall Review of Other Programs.** Except as otherwise determined by the Board, review the other compensation programs of the Company in light of Company and program objectives, needs, and current benefit levels, including, but not limited to:
- (i) Periodic review of the Company's policies regarding perquisite benefits;
  - (ii) Periodic review of the Company's policies with respect to change of control payments, if any;
  - (iii) Review and approval of director and executive officer indemnification and insurance matters; and
  - (iv) Review and approval of disclosure on director and executive compensation for inclusion in the Company's annual report on Form 20-F filed with the SEC.
- (j) **Board and Committee Member Compensation.** Set and review the compensation for the Board and committee members.
- (k) **Annual Report.** Produce a report on executive compensation for inclusion in the Company's annual report or other periodic reports, if required by applicable laws.
- (l) **Annual Evaluation of Committee and Charter.**
- (i) **Evaluation of Committee.** Annually evaluate the performance of the Compensation Committee and its members, including a review of the Compensation Committee's compliance with its Charter.



- (ii) **Review of Charter.** Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board, as appropriate.
  - (m) **Recommendations.** Make recommendations and report to the Board and other Board committees with respect to compensation policy of the Company or any of the foregoing matters.
  - (n) **Other Actions.** Take such other actions as may be necessary or appropriate to fulfill the Compensation Committee's purposes (as stated above) and as may be requested or required by the Board from time to time.
- 4. **Meetings.** The Compensation Committee shall meet at least semi-annually. In addition, the Compensation Committee will meet with such frequency, and at such times, as its chairperson, or a majority of the Compensation Committee, determines. A special meeting of the Compensation Committee may be called by the chairperson and will be called promptly upon the request of any two Compensation Committee members. A meeting of the Compensation Committee may be conducted in person or via a telephone conference where every meeting participant can hear each other. The agenda of each meeting will be prepared by the chairperson, in consultation with other Compensation Committee members, and circulated, if practicable, to each member prior to the meeting date. Unless the Compensation Committee or the Board adopts other procedures, the provisions of the Company's Constitutional Documents applicable to meetings of Board committees (or if no such provisions exist, applicable to meetings of the Board) will govern meetings of the Compensation Committee.
- 5. **Minutes.** Minutes of each meeting will be kept with the regular corporate records.
- 6. **Subcommittees.** Subject to prior approval by the Board, the Compensation Committee may appoint subcommittees, as necessary.
- 7. **Reliance; Experts; Cooperation.**
  - (a) **Retention of Independent Counsel and Advisors.** The Compensation Committee has the power, in its discretion, to retain at the Company's expense such independent counsel and other advisors and experts as it deems necessary or appropriate to carry out its duties.
    - (i) **Compensation Consultant.** The Board delegates to the Compensation Committee the express authority to decide whether to retain a compensation consultant or consultancy firm to assist in the evaluation of compensation pursuant to this Charter. If the Compensation Committee decides in its discretion to retain such a consultant or firm, the Board delegates to the Compensation Committee the authority to retain and terminate any such consultant or firm and to approve the fees and other retention terms.
  - (b) **Reliance Permitted.** In carrying out its duties, the Compensation Committee may act in reliance on management, the Company's independent public accountants, the Company's internal auditors (if any), internal and outside advisors and experts

(financial, legal or otherwise), and any officers, employees, consultants and agents of the Company, as it deems necessary or appropriate.

(c) **Investigations.** The Compensation Committee has the authority to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties.

(d) **Required Participation of Employees.** The Compensation Committee shall have unrestricted access to the Board, the other committees of the Board, the Company's independent public accountants, the Company's internal auditors (if any), internal and outside advisors and experts (financial, legal or otherwise), and any officers, employees, consultants and agents of the Company, and may require any such person to attend a meeting of the Compensation Committee or to meet with any members of, or consultants or advisors to, the Compensation Committee.

8. **Rules and Procedures.** Except as expressly set forth in this Charter or the Company's Constitutional Documents or Corporate Governance Guidelines, or as otherwise provided by law or the rules of Nasdaq Stock Market, the Compensation Committee shall establish its own rules and procedures.