

## Tuya Inc.

### Audit Committee Charter

Adopted February 21, 2021

#### Purpose

The Audit Committee (the “**Committee**”) is created by the Board of Directors (the “**Board**”) of Tuya Inc. (the “**Company**”) to:

- assist the Board in its oversight of
  - the integrity of the Company’s financial statements and internal controls;
  - the qualifications, independence and performance of the Company’s independent auditor;
  - the performance of the Company’s internal audit function;
  - the fairness and appropriateness of the Company’s Related Party Transactions (as defined below); and
  - the Company’s compliance with legal and regulatory requirements; and
- such other duties as directed by the Board.

#### Membership

The Committee shall consist of one or more members of the Board in accordance with Rule 10A-3 of the Exchange Act of 1934, as amended (the “**Exchange Act**”). For 90 days from the date of effectiveness of the registration statement filed with the Securities and Exchange Commission (the “**SEC**”) in connection with the Company’s initial public offering (the “**IPO**”), at least one member shall be deemed by the Board to be independent and meet the independence and experience requirements of Rule 10A-3 of the Exchange Act and the listing rules of the New York Stock Exchange (the “**NYSE**”). For one year from the date of effectiveness of the registration statement filed with the SEC in connection with the IPO, at least a majority of the committee members shall be deemed by the Board to be independent and meet the independence and experience requirements of Rule 10A-3 of the Exchange Act and the Listing Rules of the NYSE. After one year from the date of effectiveness of the registration statement filed with the SEC in connection with the IPO, all committee members shall be deemed by the Board to be independent and meet the independence and experience requirements of Rule 10A-3 of the Exchange Act and the Listing Rules of the NYSE. Each member shall, in the judgment of the Board, have the ability to read and understand the Company’s basic financial statements. At least one member of the Committee shall, in the judgment of the Board, be an “audit committee financial expert” in accordance with the rules and regulations of the SEC and at least one member (who may also serve as the audit committee financial expert) shall, in the judgment of the Board, have accounting or related financial management expertise in accordance with Listing Rules of the NYSE. The Board shall recommend nominees for appointment by the Board to the Committee annually and as vacancies or newly created positions occur. 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**”).

## **Responsibilities**

The basic responsibility of the members of the Committee is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, members should be entitled to rely on the honesty and integrity of the Company’s senior executives and its outside advisors and auditors, to the fullest extent permitted by law. In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters.

### *Independent Auditor*

- The Committee shall be directly responsible for the appointment, compensation, retention, termination, 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 ratification by the shareholders’ resolutions). Each such accounting firm shall report directly to the Committee.
- The Committee shall pre-approve the audit services and non-audit services (including the fees and terms thereof) to be provided by the Company’s independent auditor pursuant to pre-approval policies and procedures established by the Committee. The Committee may, from time to time, delegate its authority to pre-approve services to one or more Committee members, provided that such designees present any such approvals to the full Committee at the next Committee meeting. All non-audit services to be provided to the Company shall at all times be subject to the pre-approval by the Committee.
- 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 and any problems or difficulties encountered, including any restrictions on the scope of the auditor’s activities or on access to requested information, and any significant disagreements with management.
- 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, peer review or Public Company

Accounting Oversight Board (“**PCAOB**”) review, of the independent 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 PCAOB regarding the independent auditor’s communications with the audit committee concerning independence; and
- 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 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 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 and employees responsible for the internal audit function of the Company, and make recommendations to the Board and/or management regarding the responsibilities, retention or termination of such officers and employees.

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

- Prior to the filing of the Company’s annual reports on Form 20-F and quarterly and interim earnings releases with the SEC (the “**SEC Financial Reports**”), the Committee shall (1) meet to review and discuss with management and the independent auditor the SEC Financial Reports, including reviewing the Company’s specific disclosures under “Management’s Discussion and Analysis of Financial Condition and Results

of Operations,” (2) review and approve the financial statements and data disclosed in the SEC Financial Reports. Prior to such review, the Committee may delegate detailed drafting and/or review responsibilities relating to any SEC Financial Reports to members of the management.

- The Committee shall meet to review and discuss with management and the independent auditor the annual audited financial statements and unaudited quarterly and interim 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 and quarterly and interim earnings releases with the SEC;
- 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, including analyses of the effects of alternative Generally Accepted Accounting Principles (“GAAP”) methods on the financial statements;
  - the critical accounting policies and practices of the Company;
  - the clarity of the financial disclosures made by the Company;
  - information regarding any “second” opinions sought by management from an independent auditor with respect to the accounting treatment of a particular event or transaction;
  - the effect of major transactions, Related Party Transactions (as defined below), any regulatory and accounting (including tax) initiatives, including with respect to variable interests entities (“VIEs”) of the Company, as well as off-balance sheet transactions and structures, on the Company’s financial statements; and
  - any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company’s selection or application of accounting principles.
- The Committee, or the Chairperson with the assistance of the management and the independent auditor, shall review 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, as the Chairperson deems appropriate, paying particular attention to the use of non-GAAP financial information.
- 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 and management any current accounting trends and developments, and take such action with respect thereto as may be deemed appropriate.
- 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 not adopted or reflected;
  - 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 independent 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 independent auditor regarding the Company's financial reporting.
- 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 oversee and evaluate:
  - 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 also review any major litigation or investigations against the Company that may have a material impact on the Company's financial statements. The Committee shall meet and discuss these matters with management and others as appropriate, including the General Counsel or an officer with similar duties and responsibilities of the Company.
- The Committee shall oversee compliance with the Company's Code of Business Conduct and Ethics and report on such compliance to the Board. The Committee shall also review and consider any requests for waivers of the Company's Code of Business Conduct and Ethics for the Company's directors, executive officers and other senior financial officers, and shall make a recommendation to the Board with respect to such request for a waiver.
- The Committee shall review potential conflicts of interest involving directors, including whether such directors may vote on any issue as to which there may be a conflict.

#### *Reporting to the Board*

- The Committee shall report to the Board periodically. 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, Related Party Transactions (as defined below), 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 review and assess the adequacy of this charter periodically and recommend any proposed changes to the Board.

#### *Related Party Transactions*

- The Committee shall review and approve all related party transactions (as defined in Item 7 of Form 20-F) (the "**Related Party Transactions**") subject to further approval by the Board, 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

Company's Policy of Related Party Transactions is attached hereto as Appendix I.

### **Authority and Delegations**

The Committee is authorized (without seeking Board approval) to retain special legal, accounting or other advisers and 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 advisers to, the Committee.

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 delegate its authority to the Chairperson when it deems appropriate and in the best interests of the Company.

### **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 shall preside at each meeting and, in the absence of the Chairperson, one of the other members of the Committee shall be designated as the acting chair of the meeting. The Chairperson, in consultation with the other committee members, shall determine the frequency and length of the committee meetings and shall set meeting agendas consistent with this charter.

The Committee shall meet separately, periodically, with management, with internal auditors (or other personnel responsible for the internal audit function) and with the independent auditor.

Voting on Committee matters shall be on a one vote per member basis. All matters submitted for voting shall require voting by a majority of the Committee. The Chairperson could cast a tie-breaking vote when the Committee has a deadlock.

### **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 GAAP 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 Chief Executive Officer and senior management to determine the appropriate level of the Company's exposure to risk.

## APPENDIX I

### POLICY ON RELATED-PARTY TRANSACTIONS

#### I. Purpose

This Policy was adopted by Tuya Inc. (the “**Company**”) and applies to the Company and all of its subsidiaries and VIEs (each a “**Group Company**”) and includes the conduct of an appropriate review and oversight by the Company’s audit committee (the “**Audit Committee**”) on an ongoing basis of all Related Party Transactions (as defined in the charter of the Audit Committee) for potential conflict of interest situations. This Policy sets forth procedures for identifying and reviewing Related Party Transactions involving any Group Company. Capitalized terms used herein shall have the meanings defined in the charter of the Audit Committee.

#### II. Approval Standards

In determining whether to approve a Related Party Transaction the Audit Committee will consider the following factors, in addition to any other factors that it considers appropriate:

- (i) whether or not the terms are fair and beneficial to the relevant Group Company and based on arm’s length negotiations from a commercial perspective;
- (ii) whether or not the Related Party Transaction is material to the relevant Group Company as a whole;
- (iii) whether the Related Party Transaction is appropriate and necessary or desirable to achieve the objectives of the Group Companies;
- (iv) the role the Related Party has played in arranging the Related Party Transaction;
- (v) the structure of the Related Party Transaction; and
- (vi) the interests of all Related Parties in the Related Party Transaction.

If there is a potential Related Party Transaction, the senior management of the Company (with the assistance of the independent auditor of the Company) is responsible to submit all supporting documents to the Audit Committee for seeking approval. The relevant details shall include:

- (i) Terms of the proposed Related Party Transaction including the parties to such transaction;
- (ii) Cost and benefit analysis including cost savings obtained by the relevant Group Company from such transaction (include what are the alternatives and whether expenditure is within budget).
- (iii) Documentary evidence that the terms are commercially arm’s length (including summary of material terms of proposals from non-related parties to provide substantially the same products and/or services, to the extent such products and/or services are available, and if not, explain the reasons).



- (iv) Product and/or service expertise of the related party.
- (v) Nature of the related party's relationship with the Company (i.e. why are they a related party).
- (vi) Whether the decision to award this contract has been made independent of any influence from the related party.

A Related Party Transaction will only be approved by the Committee if it determines that the Related Party Transaction is beneficial and fair to the Group Company and terms of the Related Party Transaction are commercially arm's length. Any Related Party Transaction must be noted at the next Committee meeting and recorded in the minutes of such meeting by the Committee. The Audit Committee may render the conclusions against the Related Party Transaction in a form that it deems appropriate, including but not limited to, a formal Audit Committee meeting or email circulation, so long as such conclusions are recorded in meeting minutes by the Audit Committee.

The Audit Committee may, in its sole discretion, approve or deny any Related Party Transaction submitted to it for approval. Approval of a Related Party Transaction may be conditional upon the relevant Group Company and the related party taking any or all of the following additional actions, or any other actions that the Audit Committee deems appropriate:

- (i) limiting the duration or magnitude of the Related Party Transaction;
- (ii) requiring that information about the Related Party Transaction be documented and that reports reflecting the nature and amount of the Related Party Transaction be delivered to the Audit Committee on a regular basis;
- (iii) requiring that the relevant Group Company has the right to terminate the Related Party Transaction by giving a specified period of advance notice;
- (iv) appointing a Company representative to monitor various aspects of the Related Party Transaction; and/or
- (v) requiring a related party to resign from, or change position within, an entity that is involved in the Related Party Transaction with the relevant Group Company.

### **III. Record, Maintenance, Reporting and Verification**

#### **(A) Maintaining Related Party Information**

The General Counsel or any other department or personnel as designated by the Audit Committee shall be responsible for updating a Related Party List by requesting that each director and executive officer provide annual confirmations regarding those companies and individuals in respect of which such director or executive officer is a related party, as well as any Related Party Transactions they have entered into or could be entering into during the upcoming year. The directors and executive officers must advise any changes to their annual confirmation.

The Related Party List must be submitted to the Audit Committee who must arrange for divisional staff to make a detailed review of the Related Party List against accounting and purchasing records, to detect any transactions that may have been entered into without prior approval from the Audit Committee. Any

transactions requiring prior approval from the Audit Committee but not so approved shall be submitted to the Audit Committee for consideration, and if appropriate, ratified by the Audit Committee in accordance with this Policy.

**(B) Reporting Related Party Transactions in Financial Statements**

The Chief Financial Officer (in consultation with the independent auditor of the Company) shall review the presentation and disclosure of Related Party Transactions within the SEC Financial Reports (as defined in the charter of the Audit Committee) and ensure that the information in such disclosure is complete, fair and accurate.

**(C) Verification of Related Party Transactions**

The internal audit personnel will perform an annual internal audit on the Related Party Transaction approval process and disclosures. Such internal audit procedures will include:

- (i) determining that sufficient evidence exists to support the understanding of the substance and business purpose of each Related Party Transaction, and to support the presentation and disclosures;
- (ii) determining whether the appropriate officials and the Audit Committee approved the Related Party Transactions during the audited period;
- (iii) reviewing a sample of material cash disbursements, advances, and investments during the audited period to determine whether the Company disbursed funds to a related party;
- (iv) cross-checking with revenue recognition tests of any large or unusual Related Party Transactions (particularly transactions materializing near the end of a financial reporting period or involving circumstances such as a substantial portion of the purchase price remaining unpaid, or where the seller, in effect, still controls the asset it sold) and being alert to circular indications, such as a seller's concurrent obligation to purchase goods or services, or provide other benefits to, the buyer; and
- (v) reviewing additional background information with respect to a sampling of material customers, suppliers, or other business partners to confirm whether or not they are a related party.