山東省國際信託股份有限公司
SHANDONG INTERNATIONAL TRUST CO., LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 1697)

Terms of Reference for the Strategies and Risk Management Committee under the Board of Directors

Chapter 1 General Provisions

Article 1 In order to standardize the decision-making mechanism of the board of directors (hereinafter referred to as the "Board") of Shandong International Trust Co., Ltd. (hereinafter referred to as the "Company"), prevent operational risks, and ensure stable operation of the Company, the Company has established the Strategies and Risk Management Committee under the Board and formulated these terms of reference in accordance with relevant laws, regulations, normative documents, the Articles of Association of Shandong International Trust Co., Ltd. (hereinafter referred to as the "Articles") and the Procedural Rules for the Board of Directors of Shandong International Trust Co., Ltd. (hereinafter referred to as the "Procedural Rules for the Board").

Article 2 The Strategies and Risk Management Committee is a specialized committee established under the Board which exercises its authority within the scope of authorization as stipulated under the Articles and authorized by the Board.

Article 3 The Strategies and Risk Management Committee shall be accountable to and report its work to the Board.

Chapter 2 Composition

Article 4 The Strategies and Risk Management Committee shall consist of at least three members, including, among others, the chairperson of the Board, and the remaining members except the chairperson shall be elected by the Board.

Article 5 A member of the Strategies and Risk Management Committee shall serve for a term of three years and may be re-appointed. Replacement of the members shall be subject to approval of the Board by way of resolution.

Article 6 The Strategies and Risk Management Committee shall have one chairperson to be acted by the chairperson of the Board. The chairperson shall be responsible for presiding over the work of the Strategies and Risk Management Committee. The director who acts as the chairperson of the Strategies and Risk Management Committee shall perform his duties in the Company for not less than 25 working days annually.

Article 7 The term of office of a member of the Strategies and Risk Management Committee shall be the same as his term of office in the Board, and may be re-elected and re-appointed upon expiration of his term of office. A member of the committee shall be automatically disqualified if he ceases to be a director of the Company during his term of office.

Chapter 3 Major Duties

Article 8 The duties of the Strategies and Risk Management Committee are:

(1) to research and propose recommendations on medium and long-term development strategies of the Company according to the macro-economic environment, trend of industry development and the operating conditions of the Company;

(2) to inspect, supervise and evaluate the implementation of the development strategy of the Company;

(3) to organize and formulate special plans for the development of the trust business and proprietary business of the Company;

(4) to understand and monitor the major risks faced by the Company and its risk management status;

(5) to consider the annual or special risk management reports of the Company;

(6) to review the soundness of the risk management mechanisms, effectiveness of the policies and measures, and rationality of the risk control process of the Company;

(7) to consider the risk strategies and major risk management solutions, as well as criteria or mechanism for judgment of major decisions, major risks, major events and key business flows;

(8) to review and oversee the Company's compliance with and implementation of laws and regulations;

(9) to provide advice and suggestions on risk prevention and control in the trust business of the Company;

(10) to formulate and improve the Company's internal compliance policies and implementation plans in accordance with the requirements of laws, regulations and policies through studying the requirements of compliance and regulations; to consider the Company's compliance and relevant fundamental policies; to consider compliance management and relevant work reports;

(11) to consider and approve the Company's overall policy on case prevention and control, put forward the overall requirements for case prevention and control, clarify the responsibilities and authorities of senior management on case prevention and control, and ensure that senior management takes necessary measures to effectively monitor, warn against and deal with case risks; review and supervise the Company's case prevention and control work effectively, review relevant work reports, assess the effectiveness of case prevention and control work, and promote the construction of case prevention and control management system;

(12) to establish the culture construction goals for the Company's anti-money laundering risk management, formulate anti-money laundering risk management strategies, and review and approve policies and procedures for anti-money laundering risk management; review anti-money laundering work reports on a regular basis and understand major money laundering risk events and the corresponding treatments in a timely manner;

(13) other responsibilities as stipulated by the Board.

Article 9 The Strategies and Risk Management Committee shall report its decisions and recommendations to the Board, unless making such report will conflict with the general responsibilities of the Strategies and Risk Management Committee, or the matters shall not be reported due to restrictions imposed by the laws, regulations or regulatory provisions.

Chapter 4 Working System

Article 10 The Strategies and Risk Management Committee may be convened in the form of meeting or circulation of written resolution.

Article 11 The Strategies and Risk Management Committee may convene a meeting to review any project if it considers that the trust business thereunder causes damages to the interests of beneficiaries.

If the Company considers that the interests of the Company are in conflict with the interests of beneficiaries, the Company may request the Strategies and Risk Management Committee to convene a meeting to consider the project and the Company shall propose a preliminary solution.

Article 12 The meetings of the Strategies and Risk Management Committee shall be convened and presided over by the chairperson. The chairperson may appoint other members to convene and preside over the meeting.

Article 13 The meetings of the Strategies and Risk Management Committee shall only be convened at least two-thirds of the members are present. Members shall attend the meetings of the Strategies and Risk Management Committee in person. If a member is unable to attend the meeting for any reason, he may appoint another member as his proxy to attend the meeting and vote on his behalf in writing.

In such case, he shall issue a written power of attorney and specify the scope of authorization for the proxy.

Members who do not attend such meeting and do not appoint another member as his proxy to attend such meeting on his behalf will be deemed to have abstained from voting on such meeting.

Article 14 The Company shall give notice to all members and other attendees at least three days before the convening of the meeting and deliver the agenda materials to all members in time.

Article 15 The voting of the Strategies and Risk Management Committee shall be predicated on full and adequate discussion and each member shall fully and definitively voice their opinions. The voting shall be conducted by way of a named poll. Each member who attends the meeting is entitled to one vote, and shall complete the Opinion Form on Voting for the Strategies and Risk Management Committee under the Board (please see the attachment) when expressing opinions.

A member may cast affirmative votes or agree in principle or cast dissenting votes. Those who agree in principle or cast dissenting votes shall express their opinions.

The matters discussed shall be passed upon obtaining the agreement (including agreement in principle) by at least two-thirds of all members.

Those members who have connected relationship in the voting matters shall abstain from voting when members are casting their votes.

Article 16 The Strategies and Risk Management Committee of the Company formulates formal proposals based on meeting deliberations and voting results, and submits the proposals to the Board of the Company in writing.

Article 17 The administrative offices of the Strategies and Risk Management Committee of the Company comprise the Research and Development Department and the Risk Control Department. Each of these two departments is mainly responsible for the following functions:

The Research and Development Department:

(1) to prepare the subject matter and agenda of the meeting based on the topics submitted by the Company, and to notify all members and other attendees;

(2) to prepare minutes of the meeting;

(3) to draft the resolutions of the meeting;

(4) to maintain documents including minutes and resolutions of the meeting and file them in a timely manner;

(5) to promptly share information related to strategies reviewed by the Strategies and Risk Management Committee with other Board committees including the Audit Committee and the Nomination and Remuneration Committee under the Board as needed;

(6) other matters related to strategies as assigned by the Strategies and Risk Management Committee.

The Risk Control Department:

(1) to provide the Strategies and Risk Management Committee with information related to the risk management of the Company which is necessary for its routine duties;

(2) to promptly share information related to risk management reviewed by the Strategies and Risk Management Committee with other Board committees including the Audit Committee and the Nomination and Remuneration Committee under the Board as needed;

(3) other matters related to risk management as assigned by the Strategies and Risk Management Committee.

Article 18 The minutes of the meeting of the Strategies and Risk Management Committee shall include the following information:

(1) the method by which the meeting is convened, date and venue of the meeting and the convener's name;

(2) the names of the members present, the members absent, the proxies and the observers;

(3) the subject matter of the meeting;

(4) the summary of speech given by the members and observers;

(5) the matters voted on and the voting results.

Article 19 The resolutions of the meeting of the Strategies and Risk Management Committee shall include the following information:

(1) the method by which the meeting is convened, date and venue of the meeting and the convener's name;

(2) the names of the members present, the members absent, the proxies and the observers;

(3) the matters voted on and the voting results;

(4) other matters that shall be explained and recorded in the resolutions.

Article 20 The conclusions of the subjects considered and discussed at the Strategies and Risk Management Committee meetings shall be dispatched to each member in the form of resolutions upon review and confirmation by the attending members.

Article 21 Members who attend the meetings shall not disclose any unpublished resolutions or confidential information of such meetings.

Article 22 The Strategies and Risk Management Committee shall establish mechanisms for information communication and sharing with other Board committees to provide information related to strategies and risk management which is necessary for the performance of their duties.

Chapter 5 Miscellaneous

Article 23 In these terms of reference, the terms "not less than" and "at least" include the figure itself, while the term "more than one half" does not include the figure itself.

Article 24 These terms of reference shall come into effect on the date of consideration and approval by the Board.

Article 25 Matters which are not provided for in these terms of reference shall be governed by the requirements of the relevant laws, regulations, rules, normative documents, the Articles and the Procedural Rules for the Board. If these terms of reference conflict with any requirements of the laws, regulations, rules, normative documents, the Articles and the Procedural Rules for the Board, the requirements of the laws, regulations, rules, normative documents, the Articles and the Procedural Rules for the Board shall prevail.

Article 26 The Board of the Company shall have the right to interpret these terms of reference.

Attachment:

Opinion Form on Voting for the Strategies and Risk Management Committee under the Board

Issues to be discussed	
Name of committee member	
Voting opinion	
Explanation on opinion	**Signature:** **Date:**

Explanation on filling in the form: indicate "agree", "agree in principle" or "disagree" in the column of "Voting opinion", and members voting on "agree in principle" or "disagree" shall provide brief reasons in the column of "Explanation on opinion". Additional pages may be attached for abundant contents. Voting on behalf of others shall be specified when signing.