Bank of Qingdao Co., Ltd.
The Terms of Reference for the Audit Committee of the Board of Directors

(Revised in November 2025)

Chapter 1 General Provisions

Article 1 To enhance the decision-making function of Bank of Qingdao Co., Ltd. (the "Bank"), achieve prior and professional audit, ensure the Board of Directors has effective supervision over the Bank's financial revenue and various business activities, and to improve the Bank's corporate governance, the Audit Committee of the Board of Directors (the "Committee") is hereby established and these Terms of Reference are formulated pursuant to the Company Law of the People's Republic of China, the Commercial Banking Law of the People's Republic of China, the Guidelines on Corporate Governance for Banking and Insurance Institutions, the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of Bank of Qingdao Co., Ltd. (the "Articles") and the relevant provisions of other relevant laws, administrative regulations, departmental rules, regulatory documents and regulatory authorities.

Article 2 The Committee is a specialized organization established by the Board of Directors and is mainly responsible to review the Bank's financial information and the disclosure thereof, supervise and evaluate the internal and external auditing work and internal control, and make recommendations to the Board, or decide on the above matters as authorized by the Board.

Chapter 2 Composition

Article 3 The Committee must comprise a minimum of three (3) non-executive directors and more than half of total number of the members shall be independent directors. The members shall have professional knowledge and work experience in certain areas of finance, auditing, accounting or law. There shall be at least one (1) independent director with appropriate professional qualification or accounting or related financial management expertise. The employee directors may become members of the Committee.

Article 4 A former partner of the Bank's existing external auditing firm shall be prohibited from acting as a member of the Committee for a period of two (2) years from the date of his/her ceasing:

(1) To be a partner of the external auditing firm; or

(2) To have any financial interest in the external auditing firm, whichever is later.

Article 5 Members and chairman of the Committee shall be elected by the Board, and any dismissal of the members and chairman of the Committee shall be determined by the Board.

Article 6 The Committee shall have one (1) chairman who should be an independent director. The chairman shall preside over the work of the Committee. The chairman shall be elected by the Board from members of the Committee and shall have professional knowledge in accounting. The chairman shall work in the Bank no less than twenty (20) working days each year.

The main duties of the chairman of the Committee are as follows:

(1) To preside over the Committee meetings, and ensure that the Committee is operating properly and performing its duties;

(2) To determine the agenda of the Committee meetings;

(3) To ensure that all members attending the Committee meetings understand the matters discussed and have sufficient opportunities to express their truthful opinions;

(4) To ensure that there is a clear and certain conclusion to every proposal discussed at the Committee meetings. The conclusions include "approve", "veto" or pending discussion upon receiving further information;

(5) To propose to convene an extraordinary Committee meeting;

(6) To perform other duties as required by these Terms of Reference.

Article 7 The term of office of the Committee shall be identical with that of the directors and members of the Committee may serve consecutive terms if re-elected upon the expiration of their terms. If any member ceases to be a director of the Bank or any member who shall be qualified as an independent director but no longer possesses the independence as required by the Articles, or related laws, administrative regulations, departmental rules, regulatory documents and regulatory provisions, he/she shall automatically be disqualified as a member. The Board shall timely fill the vacancy according to articles 3 to 6 of these Terms of Reference. The term of office of the replacing member shall be identical with his/her term as a director or an independent director.

Article 8 The main duties of members of the Committee are as follows:

(1) To attend the meeting of the Committee in a timely manner, to express opinions on matters discussed thereat and to exercise his/her voting rights;

(2) To sit in or observe relevant meetings of the Bank in order to perform his/her duties, to carry out investigations and research and to obtain the necessary information from reports, documents and data files;

(3) To fully understand the responsibilities of the Committee and his/her responsibilities as a member, to be familiar with the business management, operation and development of the Bank that is relevant to his/her duties, and to ensure he/she is capable of performing duties;

(4) To devote sufficient time and energy to perform their duties;

(5) To perform other duties as required by these Terms of Reference.

Chapter 3 Responsibilities

Article 9 The major responsibilities of the Committee are as follows:

(1) To inspect and supervise the financial activities of the Bank, to review the Bank's financial information and its disclosure, to review the accounting policies of the Bank and their implementation, to supervise the financial operation, and to monitor the accuracy of financial accounting reports and the effectiveness of the implementation of financial accounting report procedures by the management;

(2) To recommend the engagement, renewal, dismissal of the external auditor; to supervise its work by taking appropriate measures, review its reports, and ensure that it assumes corresponding responsibilities for its audit work; to approve the remuneration and terms of engagement of the external auditor and to deal with any questions of its resignation or dismissal; and to act as the key representative between the Bank and the external auditor and oversee the relationships between the two parties;

(3) To review and monitor the external auditor's independence, objectivity and effectiveness of the audit procedure in accordance with applicable standards. The Committee shall discuss with the external auditor on the nature, scope of the audit and reporting obligations before the audit commences;

(4) To develop and implement the policy on engaging an external auditor to supply non-audit services. The Committee shall report to the Board and make recommendations on any matters where actions or improvements are needed;

(5) To inspect, supervise and evaluate the Bank's internal audit work, to supervise the internal audit system of the Bank and its implementation, to evaluate the work procedures and work effects of the Bank's internal audit department, and to participate in the performance assessment of the head of internal audit;

(6) To take charge of the communication between senior management, the internal audit and external auditors, to ensure coordination of their work and to ensure that the internal audit department is adequately resourced and has appropriate standing within the Bank, and to review and monitor its effectiveness;

(7) To focus on significant accounting and audit issues in the Bank's financial accounting report, with particular attention to the possibility of fraud, malpractice and material misstatement related to the financial accounting report, and to monitor the rectification of the issues of financial accounting report;

(8) To continuously supervise and evaluate the internal control system of the Bank, to review the internal control management system of the Bank, to inspect and evaluate the efficacy of the Bank and the Bank's subsidiaries' internal control system at least once per year, and to discuss the internal control system with the senior management. Among which, to inspect and supervise the following special matters annually:

(i) The scope and quality of the senior management's on-going monitoring of internal control system;

(ii) The extent and frequency of communication of monitoring results to the Board which assists it to assess and review whether the Bank's internal control system is adequate and effective;

(iii) Significant control failings or weaknesses that have been identified during the review of the internal control system. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Bank's financial performance or condition; as well as any measures taken to address the relevant control failings or weaknesses;

(iv) The effectiveness of the Bank's procedures for financial reporting and compliance with requirements of the securities regulatory authorities and stock exchanges at the place where the Bank's shares are listed; and

(v) The adequacy of internal and external resources utilized by the Bank for designing, implementing and overseeing its internal control system (including staff qualifications and experience, training programs, and the Bank's budget for accounting, internal audit and financial reporting functions);

(9) To consider major investigation findings on internal control matters and senior management's response to these findings on its own initiative or as delegated by the Board;

(10) To review the external auditor's letter to senior management regarding matters involved in the audit, any material queries raised by the external auditor to senior management about accounting records, financial accounts or systems of control and the senior management's response;

(11) To ensure that the Board will provide a timely response to the issues raised in the external auditor's letter to senior management regarding matters involved in the audit;

(12) To review the profit distribution policy and annual profit distribution plans, submit its findings to the Board for consideration;

(13) To scrutinize integrity of the Bank's financial statements, annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them. In reviewing these statements and reports before submission to the Board, the Committee should focus particularly on:

(i) Any changes in accounting policies and practices;

(ii) Major judgement area;

(iii) Significant adjustments resulting from audit;

(iv) The going concern assumptions and any qualifications;

(v) Compliance with accounting standards; and

(vi) Compliance with relevant requirements of the securities regulatory authorities and stock exchanges at the place where the Bank's shares are listed and legal requirements in relation to financial reporting;

(14) Regarding (13) above:

(i) Members of the Committee shall liaise with the Board and senior management and the Committee must meet, at least twice (2) a year, with the Bank's external auditors; and

(ii) The Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and should give due consideration to any matters that have been raised by the Bank's staff responsible for the accounting and financial reporting function, compliance officer, or external auditing institutions;

(15) To review and assess the Bank's established review mechanisms for handling potential misconduct by employees in areas such as financial reporting, internal controls, or other matters, and ensure these mechanisms are properly implemented to enable fair and independent investigations and appropriate actions;

(16) To supervise the performance of duties by directors and senior management members, and to propose the dismissal of directors and senior management members who violate laws and regulations, the Articles, or resolutions of the shareholders' meeting;

(17) When the conduct of directors or senior management members damages the interests of the Bank, to request correction to be made by the directors or senior management members on such conduct;

(18) To file lawsuits in accordance with the law against directors and senior management members who violate the provisions of laws, administrative regulations, or the Articles in the performance of their duties and cause losses to the Bank;

(19) To propose proposals to the shareholders' meetings; to propose the convening of extraordinary shareholders' meetings and, in the event that the Board fails to perform the obligations to convene and preside over the shareholders' meetings in accordance with the Articles, to convene and preside over the shareholders' meetings;

(20) To report to the Board on the matters as mentioned in these Terms of Reference;

(21) To consider other topics, as raised by the Board; and

(22) Other duties required by the laws, administrative regulations, departmental rules, regulatory documents, regulatory provisions, or the provisions of the Articles and as authorized by the shareholders' meeting and the Board.

Article 10 In monitoring and assessing the work of the internal audit department, the Committee shall perform the following main duties:

(1) To guide and monitor the establishment and implementation of the internal audit system;

(2) To review the annual internal audit work plan of the Bank;

(3) To monitor and promote the implementation of the internal audit plan of the Bank;

(4) To guide the effective operation of the internal audit department. The internal audit department of the Bank shall report its work to the Committee, and various audit reports and rectification plan of audit issues and updates thereof submitted to the senior management by internal audit department shall be reported to the Committee at the same time;

(5) To report to the Board about the progress and quality of the work as well as material issues identified;

(6) To coordinate relationship between the internal audit department and external audit institutions such as accounting firms and state audit institutions.

Article 11 The Committee is responsible for reviewing the Bank's financial information and its disclosure, and supervising and evaluating its internal and external audit works and internal control. The Committee shall answer to the Board. The Committee shall submit proposals to the Board for consideration and approval. The following matters shall be approved by a majority of all members of the Committee before being submitted to the Board for consideration:

(1) To disclose the financial information and internal control evaluation report in financial accounting reports and periodic reports;

(2) To hire or dismiss the accounting firm in charge of the Bank's audit matters;

(3) To hire or dismiss the responsible financial officer of the Bank;

(4) Change in accounting policies and accounting estimates for reasons excluding the change in accounting standards or correction of major accounting errors;

(5) Other matters as set out in the laws, administrative regulations, departmental rules, regulatory documents, regulatory provisions and the Articles.

Article 12 The Committee is authorized to demand full support from the senior management of the Bank. The senior management shall timely provide information that is necessary, accurate and complete to ensure assistance to the Committee in performing its duties properly.

Article 13 The Committee is authorized to investigate the Bank's internal control, financial information management and internal audit proactively or under the instruction of the Board.

Article 14 The Committee shall monitor and guide the internal audit department to conduct inspections of the following matters at least once every six months, issue inspection reports and submit the same to the Committee. In the event that violations of law or regulation and irregularities in operation of the Bank have been found during the inspection, report to the stock exchanges where the Bank is listed shall be made in a timely manner:

(1) Implementation of significant events such as use of proceeds, provision of guarantee, related-party transaction, security investment and derivatives transaction, provision of financial support, purchase or sale of assets and foreign investment of the Bank;

(2) The Bank's large capital transactions and capital transactions between it and directors, senior management and their associates.

The Committee shall issue a written assessment of the effectiveness of the Bank's internal control in accordance with the internal audit report and related information submitted by the internal audit department and report to the Board. If the Board or the Committee believes that material deficiency or material risk of internal control of the Bank, or material deficiency referred by the sponsor, independent financial advisor, accounting firm exists, the Board shall immediately report to the stock

exchanges where the Bank is listed and disclose it. The Bank shall disclose in the announcement the material deficiency or material risk of the internal control, the consequences had been or may be resulted in and measures had been taken or proposed to take.

Article 15 The office of the Board shall be responsible for liaising the daily work of the Committee and organizing Committee meetings, which includes communicating with the Committee members, coordinating among departments of the Bank, collecting information, preparing for Committee meetings, preparing documents, reporting meeting minutes and resolutions.

Article 16 The Committee meeting shall review the information and reports provided by the office of the Board and submit the relevant written resolutions and outcome of discussion to the Board for discussion.

Article 17 The Committee may formulate annual working plan.

Article 18 The Bank shall disclose the annual performance of the Committee in the annual report, mainly including the details of performance of its duties and the convening of the Committee's meetings.

If the Board does not adopt the Committee's review advice to the Board on the matters within the scope of the Committee's duties, the Bank shall disclose such matters and fully explain the reasons.

Chapter 4 Rules of Meeting

Article 19 The Committee shall discuss business through Committee meetings, which include regular and extraordinary meetings. The Committee shall convene Committee meetings depending on the Bank's needs. However, the Committee must hold at least one (1) meeting every quarter.

Article 20 The Board, the chairman of the Committee or two and more Committee members are entitled to propose to convene extraordinary meetings of the Committee.

The meeting notice shall be served to all the Committee members in writing by hand, fax, email or other means three (3) days before the Committee meeting is convened. Acknowledgement of receipt by telephone is required if the notice is not served by hand. Where there are emergency situations, the meeting shall be held as soon as possible, the service of the notice regarding the forthcoming meeting may be made through telephone or orally at any time. However, the meeting convener shall provide explanation at the meeting.

Meetings shall be presided over by the chairman of the Committee. If the chairman of the Committee is unable or fails to perform his/her duties for whatever reason, he/she shall delegate another Committee member to perform the duties on his/her behalf. If the chairman of the Committee is unable or fails to perform his/her duties, a Committee member (being an independent director) elected by a majority of the Committee members shall perform the duties.

Article 21 The notice of Committee meeting shall contain the following contents:

(1) Date and place of the meeting;

(2) Duration of the meeting;

(3) The reason for holding the meeting and topics for discussion;

(4) Date of issuance of the meeting notice.

Article 22 The Committee meetings may be convened in the form of a physical meeting and by written resolutions.

"Physical meeting" referred therein means the meeting convened by methods ensuring immediate communication and discussion among the attendees, including on-site, video and telephone.

Each attending Committee members must be able to hear the other members clearly and can communicate with each other where a meeting is convened by telephone conference or video conference. A meeting convened by such means shall be recorded or taped. Should any Committee members be unable to sign the meeting minutes at such a meeting in a timely manner, such member shall vote orally and sign the written resolution as soon as possible. The Committee member's oral vote shall have the same effect as signing the written resolution, provided that the later written resolution confirms the oral vote during the meeting. Should the written resolution differ from the oral vote, the oral vote shall prevail.

If a Committee meeting is convened by means of adopting written resolutions, i.e. by delivering the resolution for review in counterparts or by circulating it among the Committee members in turn, the Committee members or other Committee members entrusted by them shall write "for", "against" or "abstain" on the vote clearly. Once the number of Committee members who sign in favor of a resolution reaches the quorum as required by these Terms of Reference, the resolution shall be deemed adopted.

Article 23 The quorum of a Committee meeting shall be more than two thirds of all members of the Committee. Members shall attend the Committee meetings in person. If any Committee member cannot attend a meeting due to certain reasons, he/she may appoint another Committee member in writing to attend on their behalf.

Article 24 Voting at Committee meetings shall be by way of a show of hands or open ballot voting.

Each Committee member shall have one (1) vote for each resolution. Resolutions adopted at the Committee meeting must be approved by a majority of the Committee members.

Article 25 Directors who are not members of the special committees may observe meetings of the Committee. The senior management and related staff may also be invited to observe Committee meetings when necessary.

Article 26 The Committee may engage professional organizations to give professional opinion on its decisions when necessary, and the reasonable expenses incurred shall be borne by the Bank, provided that the Bank's trade secrets are not divulged.

Article 27 The procedures of holding the Committee meeting, voting method and the resolution adopted must comply with the provisions of relevant laws, administrative regulations, departmental rules, regulatory documents, regulatory provisions, the Articles and these Terms of Reference.

Article 28 Minutes shall be taken in physical meetings of the Committee. Opinions of the independent directors shall be set out in the minutes for the meetings. Committee members and independent directors attending the meeting shall sign off on and affirm the minutes. Committee members attending the meeting shall have the right to request to have the details of their speeches made in the meeting recorded in the minutes. The minutes are preserved as records of the Bank and the work records of the independent directors for a duration of eternity.

Article 29 The resolutions adopted by meetings of the Committee and the voting outcome shall be reported to the Board of the Bank in writing.

Article 30 Members and any person observing at meetings of the Committee shall be obliged to keep all matters discussed at the Committee meetings in confidentiality, and shall not disclose any relevant information without authorization. The Bank is entitled to pursue the responsibility for any violation according to the law.

Chapter 5 Miscellaneous

Article 31 Unless otherwise specified, the terms used herein shall have the same meanings as those in the Articles.

Article 32 These Terms of Reference shall be formulated or amended by the Board and be executed after the consideration and approval of the Board.

Article 33 Any matters that are not covered herein or any conflicts between these Terms of Reference and the relevant provisions of promulgated or amended laws, administrative regulations, departmental rules, regulatory documents, regulatory authorities and the Articles, shall be resolved in reference to such relevant provisions of laws, administrative regulations, departmental rules, regulatory documents, regulatory authorities and the Articles.

Article 34 The Board has the power to interpret these Terms of Reference.