

CHINA RONGZHONG FINANCIAL HOLDINGS COMPANY LIMITED
中國融眾金融控股有限公司
(incorporated in the Cayman Islands with limited liability)
(the “**Company**”)

**Terms of Reference of the Risk Management Committee (the “Committee”)
of the Board of Directors (the “Board”) of the Company**

1. Constitution

- 1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on December 18, 2015.
- 1.2 Subject to the regulations contained in the Companies Law of the Cayman Islands, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the articles of association of the Company (the “**Articles**”), the procedures of the Committee shall be regulated by the provisions set out in these Terms of Reference.

2. Composition

- 2.1 Committee members shall be appointed by the Board from time to time amongst the directors of the Company (the “**Directors**”) and shall consist of not less than three members.
- 2.2 The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board.
- 2.3 The appointment of the Committee members may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board.
- 2.4 The company secretary of the Company or his/her nominee shall be the secretary of the Committee (the “**Committee Secretary**”).
- 2.5 The composition of the Committee shall comply with laws and regulations applicable to the Company including any applicable requirements of the Listing Rules as amended from time to time.

3. Frequency and Proceedings of Meetings

- 3.1 The Committee should meet at least once a year or more frequently if circumstances require. The Chairman may convene additional Committee meetings at his/her discretion.
- 3.2 Notice of Meeting
 - (a) Unless otherwise agreed by all Committee members, a meeting shall be convened by at least seven days’ notice. If a Committee meeting is called by a shorter notice, it shall be deemed to have been duly called if it is so agreed by a majority of the Committee members, and a Committee member who attends such a meeting shall deem to agree to the shorter notice.
 - (b) Notice of meeting may be given either orally or in writing by way of telephone, facsimile or other electronic means.

(c) Notice of meeting shall specify the time and place of the Committee meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the Committee members for the purposes of the meeting. Such agenda and other documents shall be provided to the Committee members in a timely manner and at least three days (or such other period as agreed by the Committee members) before the meeting.

3.3 A quorum of the Committee meeting shall be two Committee members.

3.4 Committee meetings may be held in person, by telephone or by video conference. Committee members may participate in a meeting by means of a conference telephone or similar communications equipment provided that all persons participating in such meeting is capable of hearing each other.

3.5 Board members and any senior management staff so authorised by the Board shall have the right of attendance, but only Committee members (unless otherwise provided) are entitled to vote at the Committee meetings.

3.6 Resolutions of the Committee at any meetings shall be passed by a majority of votes.

3.7 The Chairman (or in his/her absence, a Committee member designated by the Chairman) shall preside at all meetings of the Committee. The Chairman shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

3.8 Except for provided herein, proceedings of the Committee meetings shall be governed by the provisions contained in the Articles.

4. Written Resolutions

4.1 Written resolutions signed by all Committee members shall be valid and effectual as if they have been passed at the Committee meeting duly convened and held.

5. Access

5.1 The Committee should have full access to management and may invite members of management and others to attend its meetings.

6. Authority

6.1 The Committee is granted the authority to investigate any activity within these Terms of Reference and all employees are directed to cooperate with the Committee. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to invite the attendance of outsiders with relevant experience and expertise if it considers this necessary.

6.2 The Committee shall be provided with sufficient resources to discharge its duties, including but not limited to obtaining independent professional advice at the expense of the Company.

6.3 The project approval committee of the Company and its subsidiaries (the “**Group**”), which is under the supervision of the Committee, is responsible for monitoring the routine operations of the risk management of the Group and this task is delegated to the Chief Risk Officer, who should be equipped with the appropriate authority and necessary skills and experience.

7. Duties

7.1 The duties of the Committee shall include the following aspects:

- (a) to formulate, review and monitor the risk management policies, guidelines and systems of the Group and to advise the Board about the effectiveness of and improvements to be made to such policies, guidelines and systems;
- (b) to ensure the Group’s management has adopted necessary measures to identify, evaluate, detect, control and mitigate risks and monitor the implementation of such measures by the Group’s management;
- (c) to consider emerging risks relating to the Group’s business and strategies to ensure that appropriate arrangements are in place to control and mitigate the risks effectively;
- (d) to consider, review and approve risks associated with significant transactions, including but not limited to finance leasing projects over RMB100 million and extension of loans to overdue customers;
- (e) to decide on risk appetite and tolerance as well as major decisions affecting the Group’s risk profile or exposure;
- (f) to review risk reports and breaches of risk tolerances and policies;
- (g) to consider any findings of major investigations of risk management matters as delegated by the Board or on its own initiative and management’s response;
- (h) to review the effectiveness of the Group’s risk management framework and internal control systems; and
- (i) other matters as authorised by the Board;

8. Reporting Procedures

8.1 The Committee Secretary shall record in sufficient details the matters considered by the Committee and the decisions reached, including any concerns raised by the Committee members or dissenting views expressed. Draft and final versions of the minutes of the Committee meetings, or as the case may be, written resolutions of the Committee, shall be circulated to all Committee members for their comment and records respectively within a reasonable time after the meeting or before the passing of the written resolutions.

8.2 Full minutes of the Committee meetings and all written resolutions of the Committee, together with the record of individual attendance at such Committee meetings, shall be kept by the Committee Secretary. Board and Committee members are entitled to have access to the minutes and written resolutions of the Committee.

8.3 The Committee shall report their findings and recommendations to the Board after each Committee meeting or the passing of the written resolutions.

9. Annual General Meeting

9.1 The Chairman or in his/her absence, another Committee member or failing this, the duly appointed delegate of the Chairman, shall attend the Company's annual general meeting to answer shareholders' questions on the Committee activities.

10. Powers of the Board

10.1 The Board may, subject to compliance with the Articles and the Listing Rules, amend, supplement and revoke these Terms of Reference.

10.2 The power to interpret these Terms of Reference shall be vested in the Board.

11. Publication of these Terms of Reference

11.1 These Terms of Reference will be posted on the respective websites of the Company and The Stock Exchange of Hong Kong Limited.

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