

Guidelines on Unethical Conduct Prevention

Yang Ming Marine Transport Corporation

Approved by the 12th meeting of the 18th Board of Directors

On 22 September 2017

Article 1 (Purpose and basis)

In order to fulfil its ethical policy and actively prevent unethical conduct, Yang Ming Marine Transport Corporation (hereinafter referred to as “Yang Ming”), specifically establishes these guidelines based on the Code of the Ethical Management to provide Yang Ming personnel with a clear direction for them to follow in their performance of duties.

Article 2 (Scope of application)

The scope of application of the Guidelines is limited to Yang Ming and the group enterprises under its substantial control.

Article 3 (Applicable subjects)

The term "personnel of Yang Ming" mentioned in the guidelines refers to any director, supervisor, managerial officer, employee under Yang Ming's control as well as people under its substantial control.

Article 4 (Unethical conduct)

An "unethical conduct" referred to in the Guidelines means an act that a person of Yang Ming, in the course of fulfilling their duties, directly or indirectly, provides, promises, requests, or accepts improper benefits, or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors,

managerial officers, employees, persons having substantial control, or other interested parties.

Article 5 (Types of benefits)

The term "benefits" mentioned in these Guidelines refer to any money, gratuity, commission, position, service, preferential treatment, rebate, and any other item of value in whatever form or name.

Article 6 (Responsible unit)

The Human Resources Department has been designated as the sole responsible unit in charge of the amendment, implementation, interpretation, and advisory services with respect to these Guidelines, the recording and filing of reports, and the monitoring of implementation. It shall make a report to the board of directors if necessary.

Article 7 (Prohibition against providing or accepting improper benefits)

Yang Ming personnel are barred from providing, requesting, promising, or accepting, directly or indirectly, money, gratuity, commission, position, service, preferential treatment, rebate, or any other item of profit. If they have to do it under any of the following circumstances, they shall follow the Code of the Ethical Management of Yang Ming and these Guidelines, and the relevant procedures:

1. The conduct is consistent with the laws and regulations of the country where the Company is doing business.
2. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
3. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing

relationships.

4. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
5. Attendance at folk festivals that are open to and invite the attendance of the general public.
6. Rewards, emergency assistance, condolence payments, or honorariums from the management.
7. Accepting money, valuables, or other benefits from a person other than relatives or friends, but this shall not go beyond the permission of local courtesy, convention, or custom.
8. The congratulatory valuables for engagement, marriage, maternity, relocation, inauguration, promotion, retirement or severance given to an employee, their spouse or blood relatives and the condolence contributions for injury, illness, or death, shall not go beyond the custom and convention of the locality.
9. Other conduct that complies with the rules of Yang Ming.

Article 8 (Procedures for handling the acceptance of improper benefits)

1. Except under any of the circumstances set forth in the preceding article, when any personnel of Yang Ming are provided with or are promised, either directly or indirectly, money, gratuity, commission, position, service, preferential treatment, rebate, or any other item of value, the matter shall be handled in accordance with the following procedures:
 - 1.1 If there is no relationship of interest between the party providing or offering the benefit and the official duties performed by Yang Ming's personnel, the person shall report

the case to their immediate supervisor within 3 days from the acceptance of the benefit, and Human Resources Department shall be notified if necessary.

1.2 If a relationship of interest does exist between the party providing or offering the benefit and the official duties performed by Yang Ming personnel, the person shall return or refuse the benefit, and shall report it to their immediate supervisor and notify Human Resources Department. If the benefit cannot be returned, then within 3 days of the acceptance of the benefit, the personnel shall refer the matter to Human Resources Department for handling.

2. The term "a relationship of interest between the party providing or offering the benefit and the official duties performed by Yang Ming personnel" mentioned in the preceding paragraph, refers to one of the following circumstances:

2.1 When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.

2.2 When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.

2.3 Other circumstances in which a decision regarding Yang Ming's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

3. The Human Resources Department of Yang Ming shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to a charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the President.

Article 9 (Procedures for handling inappropriate promise or profit provided or offered by Yang Ming personnel under duress.)

If any Yang Ming personnel provide or promise any money, gratuity, commission, position, service, preferential treatment, rebate, or any other item of value, under duress, they shall submit a report to their immediate supervisor stating the facts and shall notify Human Resources Department to the effect.

Upon receipt of the report under the preceding paragraph, Human Resources Department shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. If the case involves illegality, Human Resources Department shall immediately report the case to the relevant judicial agency.

Article 10 (Procedures for handling political contributions, charitable donations or sponsorships)

Charitable donations, sponsorships or political contributions by Yang Ming shall all be made in accordance with the operation procedures of Yang Ming and associated regulations of the Authorities

Article 11 (Obligations of the Board of Directors and Recusal)

Yang Ming' directors shall exercise a high degree of self-discipline. A director may present his opinion and answer relevant questions but is prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the director represents is an interested party, and such participation is likely to prejudice the interests of Yang Ming; neither shall a director vote on such proposal as a proxy of another director in such circumstances. The directors shall practice self-discipline, and must not support one another in improper dealings.

If in the course of conducting company business, any personnel of Yang Ming discover that a potential conflict of interest exists involving themselves or the juristic persons that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both their immediate supervisor and Human Resources Department, and the

immediate supervisor shall provide the personnel with proper instructions.

No personnel of Yang Ming may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by their involvement in the commercial activities other than those of this Corporation.

Article 12 (Prohibition against disclosure of confidential information)

All personnel of Yang Ming shall faithfully follow the operational regulations of managing and preserving trade secrets and trademarks, and shall not disclose to any other party any trade secrets of this Corporation they know, nor shall they inquire about or collect any trade secrets of this Corporation unrelated to their individual duties.

Article 13 (Legal compliance)

Yang Ming shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices or divide markets with the same trade.

Article 14 (Prohibition against insider trading)

All personnel of Yang Ming shall adhere to the provisions of the associated regulations, and may not take advantage of undisclosed information they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Article 15 (Non-disclosure agreement)

Any organization or person outside of Yang Ming that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by Yang Ming shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result,

and that they may not use such information without the prior consent of this Corporation.

Article 16 (Announcement of policy of ethical management to outside parties)

Yang Ming shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17 (Ethical management evaluation prior to development of commercial relationships)

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, Yang Ming shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, and adopt appropriate audit procedures to gain a comprehensive knowledge of its ethical management in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

Article 18 (Statement of ethical management policy to counterparties in commercial dealings)

Any personnel of Yang Ming, when engaging in commercial activities, shall make a statement to the trading counterparty about this Corporation's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 19 (Avoidance of commercial dealings with unethical operators)

All personnel of Yang Ming shall avoid business transactions with counterparty in commercial interactions that has involved unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall

immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement this Corporation's ethical management policy.

Article 20 (Stipulation of terms of ethical management in contracts)

Before entering into a contract with another party, Yang Ming shall make observance of the ethical management policy of Yang Ming part of the terms and conditions of the contract, stipulating where a party is discovered to be engaged in unethical conduct, the other party may terminate or rescind the contract at any time.

Article 21 (Handling of unethical conduct by personnel of this Corporation)

If personnel of Yang Ming are discovered or reported as having engaged in unethical conduct, Yang Ming shall immediately find out the relevant facts. If it is verified that the personnel have indeed violated the related laws, regulations or Yang Ming's policy and regulations of ethical management, Yang Ming shall immediately require the violator to cease the conduct and make an appropriate disposition. When necessary, Yang Ming may institute legal proceedings and seek damages to safeguard its reputation, rights and interests.

With respect to confirmed unethical conduct, Yang Ming shall oblige the relevant units to review the internal control system and relevant procedures and propose corrective measures to prevent recurrence.

Article 22 (Actions upon event of unethical conduct by others towards this Corporation)

If any personnel of Yang Ming discover that another party has engaged in unethical conduct towards Yang Ming, and such unethical conduct involves alleged illegality, Yang Ming shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, Yang Ming shall additionally notify the governmental anti-corruption agency.

Article 23 (Educational Training)

Yang Ming shall organize training and publicity programs and invite the counterparty engaging in commercial activities with Yang Ming to participate to make the counterparty know the company's determination and sincerity in ethical management, its policy, the key precautions, and the consequences of violations.

Article 24 (Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

Yang Ming shall incorporate ethics in their staff's performance evaluation and its human resources policy, and establish a clear and effective system for rewards, penalties, and complaints.

If its personnel seriously violate ethical conduct, Yang Ming shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of Yang Ming.

Yang Ming shall disclose on its internal web's the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 25

This company's Guidelines on Unethical Conduct Prevention shall be implemented after approval by the board of directors. This procedure also applies to revision of the Guidelines.