

Chinese Maritime Transport Ltd.
(the Corporation)

Procedures for Endorsements and Guarantees
(the Procedures)

Amended and approved by the Regular Shareholders' Meeting on May 12, 2022

Article 1 The Corporation shall comply with these Procedures when making endorsements/guarantees for others.

Article 2 The scope of application of these Procedures,

1. Financing endorsements /guarantees, including:
 - 1.1 Bill discount financing.
 - 1.2 Endorsement or guarantee made to meet the financing needs of another company.
 - 1.3 Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Corporation itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees, meaning an endorsements or guarantees beyond the scope of the above two subparagraphs.
4. Any creation by the Corporation of a pledge or mortgage on its chattel or real property as security for the loans of another company.

Article 3 Object of endorsements/guarantees

Where the Corporation fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders of purposes of undertaking a construction project or where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, the objects of endorsements/guarantees are limited to the following companies:

1. company with which it does business.
2. company in which the Corporation directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the

voting shares in the Corporation.

Companies in which the Corporation holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, after the approval by one half or more of the entire membership of the audit committee and passage by the Board of Directors with a resolution, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Corporation, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Corporation holds, directly or indirectly, 100% of the voting shares.

Capital contribution referred to the first paragraph shall mean capital contribution directly by the Corporation, or through a company in which the Corporation holds 100% of the voting shares.

The subsidiary and parent company as referred to in these Procedures shall be as determined under the regulations of the Financial Accounting Standards Bulletin No.5 and No.7 issued by the Accounting Research and Development Foundation of the Republic of China.

Article 4 The ceiling on the amount of endorsements/guarantees

1. The total amount of external endorsements/guarantees shall not exceed no more than 150% of the Corporation's net worth. Among which the amount of endorsements/guarantees for any single (a)whose voting shares are 100% owned by the Corporation shall not exceed 150% of the Corporation's net worth. (b)company whose more than 80% voting shares are owned by the Corporation shall not exceed 30% of the Corporation's net worth, the others shall not exceed 10% of the Corporation's net worth.
2. The total amount of endorsements/guarantees for the Corporation and all its subsidiaries as a whole and the amount of endorsements/guarantees for a single enterprise shall not exceed 150% of the Corporation's net worth.

If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Corporation and its subsidiaries as a whole reach 50% or more of the net worth of the Corporation, and explanation of the necessity and reasonableness thereof shall be given at the shareholders' meeting.

The net worth is subject to the Corporation's most recent financial statements audited or reviewed by certified public accountant.

3. For those who engage in endorsements/guarantees due to needs arising from business dealings with the Corporation, in addition to the above mentioned limit, the amount of individual endorsement/guarantee shall not exceed the amount of business transactions between the two parties. The amount of business transactions is the higher of the purchase or sale amount between the two parties.

Article 5 Hierarchy of decision-making authority and delegation thereof

1. The Corporation's handling of endorsements/guarantees matters shall be approved by the resolution of the board of directors. The board of directors may authorize the chair to make a decision within the limit of NT\$100 million in a single transaction in accordance with the relevant provisions of these Procedures, and then report to the next board of directors meeting for ratification.
2. Where the Corporation need to exceed the limits set out in these Procedures to satisfy its business requirements, and where the conditions set out in these Procedures are complied with, it shall obtain approval from the board of directors and half or more of directors shall act as joint guarantors for any loss that may be caused to the Corporation by the excess endorsements/guarantees. It shall also amend the Procedures accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Corporation shall adopt a plan to discharge the amount in excess within a given time limit.
3. When the Corporation makes endorsements/guarantees for others, it shall be submitted for the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the board of directors.

Article 6 Procedures for making endorsements/guarantees

1. When the Corporation handles endorsements/guarantees matters, the endorsed company shall issue an application to the Corporation's finance department. The finance department shall conduct a credit investigation on the endorsed company, assess its risk and keep

evaluation records, and pass the review after that, it is submitted to the general manager and chair for verification and collateral should be obtained if necessary.

2. The finance department conduct credit investigation and risk assessment for the endorsed company. The assessment items should include:
 - 2.1 The necessity and reasonableness of endorsements/guarantees.
 - 2.2 To measure the financial status of the endorsed company whether the endorsements/guarantees is necessary.
 - 2.3 Whether the accumulated endorsements/guarantees amount is still within the limit.
 - 2.4 Where an endorsements/guarantees is made due to needs arising from business dealings, it should be assessed whether the amount of endorsement/guarantee and the amount of business transactions are within the limit.
 - 2.5 The impact on the Corporation's business operations, financial condition and shareholders' equity.
 - 2.6 Whether collateral must be obtained and appraisal of the value thereof.
 - 2.7 Attach endorsements/guarantees credit investigation and risk assessment records.
3. The financial department shall prepare memorandum book and record in detail the following information: the entity for which the endorsements/guarantees is made, the amount, the date of passage by the board of directors or of authorization by the chair, the date the endorsements/guarantees is made, and the matters to be carefully evaluated under the preceding paragraph.
4. The financial department shall assess or recognize the contingent losses of the endorsement/guarantee in accordance with the provisions of the Financial Accounting Standards Bulletin No.9, and appropriately disclose the endorsements/guarantees information, and provide relevant information to the certified public accountant to implement the necessary verification procedures, and issue a proper audited report.
5. Where as a result of changes of condition the entity for which an endorsements/guarantees is made no longer meets the requirements of these Procedures or the amount of endorsements/guarantees

exceeds the limit due to the change in the basis on which the limit is calculated, the endorsements/guarantees amount or the excess part of the limit, it shall be eliminated upon the expiration of the contract period or the improvement plan shall be sent to the audit committee and reported to the board of directors.

Article 7 Endorsements/guarantees cancellation

1. If the relevant certificates or bills of the endorsement/guarantee need to be released due to debt settlement or renewal, the endorsed company shall prepare a formal letter and deliver the original endorsement/guarantee documents to the Corporation's financial department and return them with the "cancellation" seal. Application letter is kept for future reference.
2. The finance department should record the cancellation of the endorsement/guarantee in the memorandum book at any time to reduce the amount of endorsement/guarantee.

Article 8 Internal control

1. The Corporation's internal auditor shall audit the endorsement/guarantee operating procedures for others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify audit committee in writing of any material violation found.
2. When the Corporation's managers and sponsors are engaged endorsement/guarantee matters, they shall follow the provisions of this procedures. If violation, it shall be handled in accordance with the punishment method of the human resources department's rule.
3. When the Corporation or its subsidiary endorse subsidiary whose net worth is less than one-half of the paid-in capital, it shall strengthen risk control and check its financial statements on a monthly basis, and make a written record. If there is any abnormality, it should be reported to the audit committee immediately.

Article 9 Procedures for custody of corporate chop

1. The Corporation shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsement/guarantee. The chop and guarantee notes shall be kept

by designated persons, and the notes shall be printed and issued in accordance with the prescribed procedures. When the person who keeps the chop is appointed, dismissed or changed, it shall be approved by the board of directors.

2. If the Corporation acts as a guarantor for a foreign company, the letter of guarantee issued by the Corporation should be signed by the person authorized by the board of directors.

Article 10 Announcement declaration procedure

The Corporation shall announce and report the previous month's balance of endorsement/guarantee of itself and its subsidiaries by the 10th day of each month, whose balance of endorsement/guarantee reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

1. The aggregate balance of endorsements/guarantees by the Corporation and its subsidiaries reaches 50% or more of the Corporation's net worth as stated in its latest financial statement.
2. The balance of endorsements/guarantees by the Corporation and its subsidiaries for a single enterprise reaches 20% or more of the Corporation's net worth as stated in its latest financial statement.
3. The balance of endorsements/guarantees by the Corporation and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30% or more of the Corporation's net worth as stated in its latest financial statement.
4. The amount of new endorsements/guarantees made by the Corporation or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Corporation's net worth as stated in its latest financial statement.

The Corporation shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China, any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

Article 11 Where a subsidiary of the Corporation intends to make endorsements/guarantees for others, the Corporation shall instruct it to

formulate its own Procedures for Endorsement and Guarantee, and it shall comply with the procedures when making endorsements/guarantees.

Before the subsidiary of the Corporation intends to make endorsements/guarantees for others, it must be processed after the resolution of the subsidiary's board of directors.

When the Corporation's subsidiaries endorse guarantees for others, in addition to regularly providing relevant information to the Corporation for review, when there are new endorsement/guarantee, they should immediately notify the Corporation.

Article 12 The matters not covered in these Procedures, shall be handled in accordance with relevant laws and regulations and relevant regulations of the Corporation.

Article 13 The procedures can be amended with the approval of audit committee and approved by the board of directors. After approval by the board of directors, it shall be submitted to the shareholders' meeting for approval. Any matter that shall be approved by the audit committee that has not been approved by one half or more of the entire membership of the audit committee, it may be adopted with the approval of two thirds or more of the entire board of directors and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "entire membership of the audit committee" and "entire board of directors" above-mentioned, shall be counted as the number of members actually in office at the given time.