

CORPORATE GOVERNANCE AND PERFORMANCE

Yang Ming (UK) Ltd. (hereafter “the Company”) is aware that “Corporate governance” is a mechanism for managing an enterprise that fulfills the management's responsibilities while protecting the legitimate rights and interests of shareholders while considering to the interests of other stakeholders. To maintain quality corporate governance, the Company embodies proper incentives to oblige the Board of Directors and the management to achieve the business objectives by means that conform to the best interests of the company and all shareholders. It assists the Company in reforming the management structures and provides effective supervisory mechanisms that encourages the Company to make the best use of resources, promotes efficiency, raises competitiveness and contributes to enhancing the social welfare.

The Company is supported by a Head Office in Taiwan. Head Office has regulated the "Code of Ethical Management", "Code of Conduct", "Code of Conduct for Board Directors and Managers", and "Dishonest Behavior Prevention Standards." These regulations are widely promoted and managed in Yang Ming Group.

Head Office has established an audit department which draws up the next annual audit plan based on the importance of audited unit and the result of the risk assessment. All foreign regional offices will be audited at least once every two years. The audit department submits monthly audit reports of previous months to independent directors in Head Office, and then reports to the Board of Directors in Head Office quarterly on improvement situation found in various audits and keeps tracking until it improves.

DIRECTORS' DUTY

Through a governance framework, the Board of Directors fulfill their duties in delegating day-to-day decision making to company staff. The scope of this delegation consists of a lot, and so we have combined a summary of Yang Ming Group's corporate governance. The summary involves core values, standards and professional conduct delegated to our employees. It also includes the system of control, assurance processes, director and shareholder relationship that is imposed by the board in its assertion to meet the requirement of these core fundamentals.

OVERVIEW OF HOW THE BOARD OF DIRECTOR PERFORMED THEIR DUITES

Clients' satisfaction and support is the key to the Company's sustainable growth. Customers are regularly contacted by the management, and also our performance in delivering our obligations and the quality of our relationship maintenance with customers is well outlined in all scheduled board meetings. The managing director also maintains close connection with our main customers and the Board is regularly informed by him on the feedback he receives.

As suppliers are our important partners, the Company is focused on keeping long-term cooperation and sustainable business. The management has consistently maintained connection with all main suppliers in developing deeper and more stable relationships with companies. The managing

director sustains good and close connection in the Company's supply chains and develops strategic relationships with key suppliers. The Board continues to focus on supplier management.

Employees are the driving force of the Company advance and operation. The Company believes an open flow of prompt and correct information to employees is necessary. Management has daily and highly contacted employee concentrating on not only performance but also their health and safety. The Board assists employees in solving problems on careers as important responsibility. Besides, the Board adheres that the workplace is free from discrimination or violation of human rights.

For more detail on Yang Ming group corporate governance, see https://www.yangming.com/investor_relations/Corporate_Governance/CorporateSocialReportList.aspx.