Yang Ming Risk Management Policy and Procedures

Approved at the 411th Board of Directors Meeting on Mar 12, 2026

Chapter I General Provisions

Article 1 Purpose and Scope of Application

Yang Ming Marine Transport Corp. (hereinafter referred to as "the Company") has adopted this Risk Management Policy and Procedures (hereinafter referred to as "the Policy and Procedures") to establish a comprehensive risk management system, ensure stable business operations, and advance toward sustainable development goals. The Policy and Procedures has been formulated pursuant to the relevant provisions of the "Regulations Governing Establishment of Internal Control Systems by Public Companies", the "Risk Management Best Practice Principles for TWSE/TPEx Listed Companies", and the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", and served as the guideline for the Company's risk management.

The Policy and Procedures applies to risk management at all levels of the Company.

The Company's subsidiaries shall comply with the Policy and Procedures and establish their own risk management policy and procedures based on their respective operational circumstances.

Article 2 Risk Management Objectives

The objectives of the Company's risk management are to identify and manage various types of risks that may affect the achievement of the Company's objectives through a comprehensive risk management system, and integrate risk management into business activities and daily management processes to achieve the following goals:

1. Achieve the Company's objectives;
2. Enhance management efficiency;
3. Provide reliable information; and
4. Allocate resources effectively.

Chapter II Risk Governance and Culture

Article 3 Risk Governance and Culture

Through the engagement of the Board of Directors, the Sustainable Development & Risk Management Committee(hereinafter referred to as "the Committee"), and senior management, the Company aligns risk management with its strategies and objectives, determines its major risk

items, enhances the comprehensiveness, forward-looking perspective, and completeness of risk identification. Furthermore, the Company communicates and implements corresponding risk controls and response measures throughout the organization, thereby providing reasonable assurance of the achievement of the Company's strategic objectives.

The Company fosters a comprehensive enterprise risk management culture by establishing and supporting risk management units and providing professional risk management training to all employees. These initiatives aim to integrate risk management awareness into daily decision making and business operations.

Chapter III Risk Management Organizational Structure and Responsibilities

Article 4 Risk Management Organizational Structure and Responsibilities

The Company’s risk management organizational structure comprises the Board of Directors, the Committee, the Audit Department, the Risk Control Office, and all operating units.

1. The Board of Directors：

   The Board of Directors serves as the Company’s highest authority for risk management and has the following responsibilities:

   (1) Approve the Policy and Procedures.
   (2) Ensure an appropriate risk management mechanism and risk management culture are established.
   (3) Oversee and ensure the effective operation of the overall risk management mechanism.
   (4) Provide adequate resources to support the effective operation of risk management.

2. The Committee：

   The composition of the Committee is governed by the “Sustainable Development & Risk Management Committee Organizational Regulations”. As a functional committee directly under the Board of Directors, the Committee reviews and oversees the management of various risks across the Company by the respective responsible units.

3. The Risk Control Office：

   The Risk Control Office serves as the unit responsible for promoting and implementing the Company’s risk management and has the following responsibilities:

   (1) Formulate risk management policies.
   (2) Plan and implement risk identification, assessment, and measurement, and establish risk management mechanisms.

(3) Report the results of risk management implementation.
(4) Implement and assist in the management of project-specific risk items.
(5) Conduct risk management training.
(6) Handle other risk control matters.

4. The Operating Units：

The Operating Units have the following responsibilities:

(1) Each operating unit shall be responsible for identifying, analyzing, evaluating, and responding to risks within its respective operations, and establish relevant crisis management mechanisms when necessary.
(2) Regularly report risk management information to the Risk Control Office.
(3) Ensure the effective implementation of risk management and related control procedures within their respective units.

5. The Audit Department：

The Audit Department serves as the Company’s internal audit unit and has the following responsibilities:

(1) Formulate the annual audit plan based on risk assessment results.
(2) Review whether the Company’s risk management processes and corresponding risk response measures remain effective continuously based on the annual audit plan and ad-hoc case requirements, and regularly report audit results to the Board of Directors.

Chapter IV Risk Management Procedures

Article 5 Risk Management Procedures

The Company’s risk management procedures encompass risk identification, risk analysis, risk assessment, risk response, and risk monitoring.

Article 6 Risk Identification

The risk sources and categories that the Company may face during its course of business operations primarily include strategic risks, operational risks, financial risks, compliance risks, climate change risks and other emerging risks (e.g., information security and cybersecurity risks).

Operating units should conduct risk identification based on the Company's strategic objectives (including sustainable development goals such as sustainable development strategies and material sustainability topics), the Policy and Procedures, and their respective short-term, medium-term, and long-term operational goals and business responsibilities.

Risk Identification should employ various feasible analytical tools and methods, based on past experience and information, and considering internal and external risk factors, stakeholders' concerns, and other relevant considerations. Through both bottom-up and top-down analytical discussions, each unit shall integrate strategic and operational risks, including but not limited to environmental, social, and governance (ESG) issues, to comprehensively identify potential risk events that may cause failure to achieve company goals, result in losses, or cause negative impacts.

Article 7 Risk Analysis

Risk Analysis involves understanding the nature and characteristics of identified risk events, analyzing their frequency and severity, and thereby calculating the risk value.

The Risk Control Office should conduct a comprehensive risk analysis based on factors including, but not limited to, the Company's size, industry, business characteristics, and operational activities, while considering key regulatory requirements across all aspects of corporate sustainability, including environmental, social, and governance (ESG) issues.

For each identified risk event, each operating unit should analyze their frequency and severity and thereby calculate the risk value by considering the completeness of existing relevant control measures, past experience, and industry precedents.

Article 8 Risk Analysis and Measurement Standards

The Risk Control Office should establish appropriate quantitative or qualitative measurement criteria based on the Company's risk profile to serve as the basis for risk analysis and to express the frequency and severity of risk events.

Article 9 Risk Levels and Responses

The Risk Control Office should formulate risk levels corresponding to each risk value and appropriate response measures for each risk level, to serve as the basis for subsequent risk assessment and response.

Article 10 Risk Assessment

The purpose of risk assessment is to provide a basis for the Company's decision making. By assessing corporate sustainability risks (including environmental, social, and governance (ESG) issues) based on the results of risk analysis and in accordance with materiality principles, the Company can determine which risk events should be prioritized and use the assessment results as a reference for formulating subsequent risk

response measures.

The Operating Units should formulate and implement subsequent risk response plans based on the results of risk analysis and corresponding risk levels.

Relevant risk analysis and assessment results should be properly documented and reported by the Risk Control Office to the Committee and the Board of Directors.

Article 11 Risk Response

The Company should establish relevant action plans for risk responses to ensure that relevant personnel fully understand and implement such plans and continuously monitor their implementation.

The Company should consider the group's strategic objectives, the perspectives of internal and external stakeholders, and available resources when determining its risk response approaches, to strike a balance between achieving objectives and cost effectiveness in risk response plans.

Chapter V Risk Reporting and Disclosure

Article 12 Risk Records

The risk management process and its results should be documented, reviewed, and reported through appropriate mechanisms, and properly retained for future reference.

Article 13 Risk Reporting and Disclosure

The Risk Control Office should compile the risk information provided by each unit and regularly submit relevant risk management reports to the Committee and the Board of Directors.

The Risk Control Office should disclose relevant risk management information on the Company's website or the Market Observation Post System (MOPS) for external stakeholders' reference and continuously update such information. The disclosed information shall include, but is not limited to, the Policy and Procedures, the organizational structure for risk governance and management, and the risk management implementation status.

Chapter VI Approval Authority

Article 14 The Policy and Procedures shall take effect upon approval and resolution by the Committee and the Board of Directors. The same procedures shall apply to any amendments hereto.