

Article of Incorporation  
of  
Yang Ming Marine Transport Corporation  
(The 33rd Amendment)

**Chapter 1 General Provisions**

- Article 1 This company is organized according to the provisions for a limited liability company set forth in the Company Act of the Republic of China and is named 陽明海運股份有限公司 in Chinese and Yang Ming Marine Transport Corporation in English.
- Article 2 The line of business of this company is as follows:  
A.Domestic and overseas marine shipment service  
B.Domestic and overseas marine passenger service  
C.Warehouse, pier, tug boat, barge, container freight station and terminal operations  
D.Maintenance and repairs, chartering, sales and purchase of ships  
E.Maintenance and repairs, lease, sales and purchase of containers as well as chassis  
F. Shipping agency  
G.G402011 Ocean freight forwarding service  
H.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The head office of this company is located in Keelung City, Taiwan, Republic of China. If necessary, it may establish branch or representative offices at other domestic or overseas locations.
- Article 4 This company may provide guarantee for other entities.  
The total amount of investment made by this company is not restricted by Clause 13 of the Company Act of the Republic of China.

**Chapter 2 Shares and Certificate**

- Article 5 The total capitalization of this company is NT\$ 45 billion, divided into 4.5 billion

shares, NT\$10 NT\$10 par value each share. The board of directors is authorized to issue them in installments depending on the actual requirements of the company, where a portion of the shares may be in the form of preferred shares.

Article 6 The share certificates of this company shall carry the holder's full name and the way of their printing shall abide by the provisions of the Company Act of the Republic of China. The company may be exempted from printing any share certificate but the shares must be registered with Central Securities Depository Institution.

The securities affairs of this company shall be handled pursuant to the "Rules Governing Securities-related Matters of Publicly Listed Companies" promulgated by the competent authority, and other related laws and regulations of the Republic of China.

Article 6-1 The rights, obligation, and other important issuance terms of the company's preferred shares are as follows:

- A. The fiscal year-end earnings of the company shall be applied to the following uses in order: payments of taxes, making-up of accumulated deficit, legal reserve, special reserve by law. If there are needs for increasing the equipment of transportation and improving financial structure, the Company may set aside or rotate a special reserve. If the legal duties as above are fulfilled, the remaining earnings shall be first distributed to preferred shareholders that may be distributed as the current year's dividends.
- B. The dividends of preferred shares are capped at 8% per annum on the issue price. Cash dividends will be distributed annually in arrears. Once the company's financial reports have been acknowledged in the regular meeting of shareholders, the board shall be authorized to set the payment date for the distribution of the payable preferred share dividends for the previous year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.
- C. The company has discretion over the dividend distribution of preferred shares. The company may decide not to distribute dividends of preferred shares if no earnings are posted in a fiscal year or earnings posted are insufficient to

distribute dividends of preferred shares, the preferred shareholders shall not object. The undistributed dividends or the deficit of dividends are noncumulative, and the preferred shareholders do not have the right to claim any of the unpaid or deficit dividends in the subsequent years where there are earnings.

- D. Except for the dividends prescribed in subparagraph 2 of this paragraph, shareholders of preferred shares shall not participate in the distribution of cash and stock dividends of the common shares derived from earnings or capital reserve.
- E. Preferred shareholders have the same share options for new shares as shareholders of common shares when the company issue new shares in cash.
- F. Preferred shareholders have priority over shareholders of common shares for distribution of the company's residual property. All preferred shareholders rank are equal with each other for repayment, but subordinate to the holders of debts. The repayment of preferred shares shall be capped at the issue price.
- G. Preferred shareholders do not have voting rights or suffrage in shareholders' meeting, but have right to be elected as a director. Preferred shareholders have voting rights at preferred shareholders' meeting and at shareholders' meeting with respect to agendas related to the rights and obligations of preferred shareholders.
- H. Preferred shares cannot be converted to common shares and preferred shareholders do not have the right to request the company to redeem preferred shares they hold.
- I. Preferred shares are perpetual. Preferred shares may be redeemed in whole or in part at issue price anytime after 5th anniversary of preferred shares issuance at the option of the company. Unredeemed preferred shares shall remain to have the rights and obligations of issuance terms prescribed in this Article 6-1. In the year of redemption of preferred shares, if the company resolves to distribute preferred share dividends, dividends to be distributed until the redemption date shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.

J. The distribution of the preferred share dividends shall be determined according to the order in which preferred shares were issued.

The board of directors is authorized to resolve preferred share matters including names, issuance date, and other pragmatic issuance terms based on capital market circumstances and willingness of investors and in accordance with the Charter and related laws and regulations.

### **Chapter 3 Shareholders' Meeting**

Article 7 Shareholder's meetings of this company consist of regular and special meetings. Unless otherwise stipulated in the Company Act or the relevant laws and regulations of the Republic of China, such meetings shall all be convened by the board of directors. The preferred shareholders' meeting may be convened when it deemed necessary in accordance with applicable laws and regulations. This company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. In case a shareholders' meeting is proceeded via visual communication network, then the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 8 Shareholders of this company shall have one vote for each share they hold, except non-vote or exercise restriction stipulated by Laws of the Republic of China and the Charter.

### **Chapter 4 Directors and managers**

Article 9 This company shall have 7 to 15 directors to be elected by the shareholders' meeting according to the laws and regulations of the Republic of China. The aforesaid Board of Directors shall have at least three independent directors. This company adopts candidates' nomination system, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The nomination and election of the directors shall comply with Company Act and related laws and regulations of Republic of China. The election

of independent directors and non-independent directors shall be held together, however, the number of independent directors and non-independent directors elected shall be calculated respectively and those candidates receiving more voting rights shall be elected as independent directors and non-independent directors.

Article 10 All capable persons are eligible to be elected directors.

In case the government or a juristic person is a shareholder, it may be elected director, provided that a natural person be designated as its proxy for the exercise of duties. In case the government or juristic person is a shareholder, its representative may be elected director on its behalf. In case there are several representatives, all of them may be separately elected.

The representatives referred to in the preceding two paragraphs may, on account of their respective duties, be replaced by other designated persons to fulfill their unfinished terms.

Article 11 The term of office for both directors is 3 years and they are eligible for re-election.

Article 11-1 The board of directors is authorized to determine the remuneration to the board chairman and directors according to the extent of their participation in daily operations, contributions to business achievements, and the payment standards of other marine companies.

To disperse the risks that directors and enhance corporate governance, this company may buy policy of “Directors & Officers Liability Insurance” for all its directors, and representatives and for those who are assigned to be the directors or supervisors of its invested companies for the period of their term of duty.

Article 12 The directors shall elect a chairman of the board from among themselves by a resolution adopted by a majority of the directors at a meeting attended by at least 2/3 of the directors.

Article 13 The board of directors shall meet as least once quarterly and, if necessary, may hold special meetings. All such meetings shall be convened and presided over by the chairman of the board. If the chairman of the board cannot attend the meeting, the directors shall elect one director among them to act for the chairman.

The company may use a written notice, e-mail, or facsimile to inform the directors on the holding of a meeting.

A director may appoint another director to represent him or her if he or she is

unable to attend the meeting.

Article 14 The duties of the board of directors are as follows:

- A. Reviewing business guidelines
- B. Reviewing budget and financial reports
- C. Scrutinizing important rules and contracts
- D. Appointing and discharging important personnel
- E. Establishing and removing branch offices
- F. Proposing to the meeting of shareholders revision of the Charter, change of capitalization, and dissolution or merger of this company.
- G. Proposing to the meeting of shareholders allocation of profits and making up for losses.
- H. Determining other important matters.

Article 15 From the 17<sup>th</sup> term of board of directors, this company shall establish an Audit Committee, which shall be composed of independent directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Act, Securities and Exchange Act and other relevant laws and regulations of the Republic of China. This Remuneration Committee, composed of all independent directors, propose the following matters and then submit its recommendation to the board of directors for deliberation.

- A. Periodically reviewing the Remuneration Committee Charter and make recommendations for amendments.
- B. Establishing and periodically reviewing the standards, annual and long-term goals of performance review for directors and managers and the remuneration policy, system, standards, and structure.
- C. Periodically assessing the achievement of performance goals for the directors and managers, and setting the details and amounts of their individual remuneration in accordance with the performance review.

This company may set up all kinds of functional committees resolved by the board of directors according to the laws, regulations or principles or due to business needs. Functional committees shall adopt an organizational charter to be resolved by the board of directors and be responsible to the board of directors.

Article 16 This company shall have managerial officers including a president, senior executive vice presidents, executive vice presidents and chief officers of groups.

The appointment, relief of duty, and remuneration for the president and the aforesaid managerial officers should be proceeded in accordance with the Article 29 of the Company Act of the Republic of China.

## **Chapter 5 Financial Matters**

Article 17 At the end of each fiscal year, the board of directors of this company shall prepare the following statements and records of accounts for examination by the Audit Committee of this company and submit report 30 days before the opening of the regular meeting of shareholders for submission to the regular meeting of shareholders for approval:

A. Business report;

B. Financial report;

C. Proposal for allocation of profits or making up losses.

Article 18-1 The annual net profits after tax of final accounts of the Company shall make up for loss carried over from previous years first, secondly appropriate reserve in accordance with laws and regulation and make or reverse a special reserve for increasing the equipment of transportation and improving financial structure, to distribute dividend for preferred shares. While there are surpluses, the common stock dividends shall be allocated at least 25% of the current year's distributable earnings. The board of directors could include the undistributed earnings at the beginning of the period to contemplate company's long-term financial planning, industry competition, capital expenditure, working capital requirements and shareholders' interests into account, to draft an earnings distribution proposal to resolved by the shareholders' meeting. The common stock dividends could be distributed by cash dividends or stock dividends and the cash dividends shall account for no less than 20% of the total dividends.

Article 18-2 The company is required by law to appropriate special reserve from the balance of retained earnings of the prior period against the full amount of "the cumulative net increases in fair value of investment properties in the prior period" and "the cumulative net decrease of other equity in the prior period". If the amount of

retained earnings of the prior period is not enough for such appropriation, the company should further make up the gap by the net profit after tax and the balances of other equity items of current period.

## Chapter 6 Addendum

Article 19 The organic rules of this company shall be separately stipulated.

Article 20 Matters not stipulated in this Charter shall be handled according to the Company Act and other related laws and regulations of the Republic of China.

Article 21 This Charter was established on Dec. 28, 1972. The 1st amendment was made on Dec. 23, 1978. The 2<sup>nd</sup> amendment was made on Mar. 28, 1979. The 3<sup>rd</sup> amendment was made on June 28, 1979. The 4<sup>th</sup> amendment was made on Jan. 24, 1980. The 5<sup>th</sup> amendment was made on June 12, 1981. The 6<sup>th</sup> amendment was made on Feb. 28, 1983. The 7<sup>th</sup> amendment was made on Apr. 17, 1985. The 8<sup>th</sup> amendment was made on June 2, 1988. The 9<sup>th</sup> amendment was made on Dec. 26, 1990. The 10<sup>th</sup> amendment was made on Mar. 10, 1992. The 11<sup>th</sup> amendment was made on Sep. 30, 1992. The 12<sup>th</sup> amendment was made on Nov. 23, 1994. The 13<sup>th</sup> amendment was made on Nov. 25, 1995. The 14<sup>th</sup> amendment was made on Sep. 21, 1996. The 15<sup>th</sup> amendment was made on Dec. 6, 1997. The 16<sup>th</sup> amendment was made on Dec. 18, 1998. The 17<sup>th</sup> amendment was made on June 3, 2000. The 18<sup>th</sup> amendment was made on June 20, 2001. The 19<sup>th</sup> amendment was approved on June 21, 2002. The 20<sup>th</sup> amendment was approved on June 20, 2003. The 21<sup>th</sup> amendment was approved on June 23, 2005. The 22<sup>nd</sup> amendment was approved on June 23, 2006. The 23<sup>th</sup> amendment was approved on June 27, 2007. The 24<sup>th</sup> amendment was approved on June 18, 2009. The 25<sup>th</sup> amendment was approved on June 18, 2010. The 26<sup>th</sup> amendment was approved on June 15, 2012. The 27<sup>th</sup> amendment was approved on June 14, 2013. The 28<sup>th</sup> amendment was approved on June 18, 2014. The 29<sup>th</sup> amendment was approved on June 22, 2016. The 30<sup>th</sup> amendment was approved on June 22, 2018. The 31<sup>st</sup> amendment was approved on June 17, 2020. The 32<sup>nd</sup> amendment was approved on May 14, 2021. The 33<sup>rd</sup> amendment was approved on May 27, 2022.