

Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Board of Directors has approved the “Corporate Governance Best-Practice Principles”, which is disclosed on both the Company’s website and Market Observation Post System (MOPS).	None
2. Shareholding structure & shareholders’ rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement it accordingly?	✓		The Stock Dept. is in charge of handling the shareholders’ suggestions, doubts and disputes according to the internal control operation procedure.	None
(2) Does the company possess the list of its major shareholders who actually control the company and the ultimate owners of those shares?	✓		Responsibility assigned to the relevant departments.	None
(3) Does the company establish and execute the risk management and firewall system within its affiliates?	✓		The Company has established risk control measures within the internal control operation procedure.	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		The Board of Directors has established the “Procedures for Handling Material Inside Information” and “Insider Trading Prevention Management” within the internal control operation procedure to prevent the trading of stocks by insiders.	None

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<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p>	✓		<p>1. According to the Company’s “Corporate Governance Best-Practice Principles” paragraph 3 of Article 20, the composition of the Board of Directors should considered its diversification. Paragraph 4 of Article 20, the members of the Board of Directors should possess the necessary knowledge, skills and ability to perform their duties.</p> <p>2. Gender equality in the board members’ composition is also deeply concerned by the Company, and the goal of female rate in board members is at least 10%. The current Board of Directors consists of 8 directors and 1 of whom is a female, which accounts for 12.5% of the Board.</p> <p>3. Please refer to Note 1 for the implementation of the diversified of the Company’s Board of Directors.</p>	None
<p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p>		✓	<p>At present, the Company has not voluntarily establish other kinds of functional committees.</p>	<p>Although the Company has only established Remuneration Committee and Audit Committee at present, the Board of Directors exercises its functions and powers in accordance with the laws, Articles of Incorporation, the resolutions of Shareholders’ Meeting and the principles of corporate governance.</p>

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(3) Does the Company establish a standard to measure the performance of the Board annually, report the results of the performance evaluation to the Board, and use it as a reference for individual directors’ remuneration and nomination?	✓		<ol style="list-style-type: none"> 1. The Company established the “Regulations Governing the Board Performance Evaluation”, and has it disclosed on both the Company’s website and the Market Observation Post System (MOPS). 2. “Regulations Governing the Board Performance Evaluation” stipulates that the Company shall conduct an internal board performance evaluation at least once a year. In addition, the Company’s Board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars once every three years. 3. The 2019 evaluation results of the performance of the Board of Directors (please refer to Note 2) were reported to Board meeting on Mar. 24, 2020. 4. The annual evaluation results of the performance of the Board of Directors are also used as a basis for individual director’s remuneration and nomination. 	None
(4) Does the company regularly evaluate the independence of CPAs?	✓		<p>The Company annually evaluates the specialization and independence of CPAs. Also, the CPAs have completed independent reports for the appointed auditing affair. The assignment and remuneration of CPAs for the 2020 financial and tax certification has been approved by the Board of Directors on Mar. 24, 2020.</p> <p>The assigned accountants are not directors, supervisors, managers, employees or shareholders of the</p>	None

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			<p>Company or its affiliates and have been confirmed as non-stakeholders, which meets the requirements of the competent authority for independent judgment.</p> <p>Please refer to Note 3 for the independence evaluation of CPAs.</p>	
<p>4. Does the TWSE/TPEX Listed Companies appoint an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer to deal with corporate governance business (including but not limited to provide directors and supervisors necessary information; assist directors and supervisors to handle the matters related to the Board of Directors and Shareholders' Meeting in accordance with the laws and regulations; and handle the company registration, change registration of company, and prepare the minutes of Board of Directors meeting and Shareholders' Meeting) ?</p>	✓		<p>1. The top executive of Stock Department, Senior Vice President Hsieh, Shu-Hui, was appointed the chief corporate governance officer of the Company by the resolution of Board meeting on May 13, 2019. A sufficient number of professional corporate governance personnel has been allocated to protect shareholders' rights and enhance the functions of the Board.</p> <p>The chief corporate governance officer of the Company, who has been in charge of the corporate governance affairs management such as stock affairs, Shareholders' meeting and Board meeting affairs for at least 3 years, is eligible in accordance with the regulations.</p> <p>2. The main duties of the chief corporate governance officer of the Company are as follows:</p> <p>(1) To handle matters relating to Board meetings and Shareholders' meetings according to laws.</p> <p>(2) To produce minutes of Board meetings and Shareholders' meetings.</p> <p>(3) To assist in onboarding and continuing education of directors.</p>	None

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			<p>(4) To furnish information required for business execution by directors.</p> <p>(5) To assist Directors with legal compliance.</p> <p>3. The execution of duties in 2019 are as follows:</p> <p>(1) Furnished directors with relevant information and regulations to perform their duties and arranged training courses for directors:</p> <p>a. Furnished directors with the latest regulations related to corporate governance from time to time.</p> <p>b. Furnished directors with the Company's information to perform their duties and maintain smooth communication between directors and all department heads.</p> <p>c. Arranged more than two closed-door meetings each for independent directors to communicate face-to-face with the chief internal auditor and CPAs, so as to have an in-depth understanding of the Company's audit and financial status.</p> <p>d. Held two training courses (3 hours each) for directors.</p> <p>(2) Handled matters relating to functional committees, Board meetings and Shareholders' meetings according to laws:</p> <p>a. Drew up an agenda for each meeting, notified each director 7 days in advance with</p>	

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			<p>meeting materials provided, reminded the director not to participate in discussion or voting on the agenda item if he is an interested party with it, and distributed the minutes to each Director within 20 days after the meeting.</p> <p>b. After Board meeting, assisted in the release of material information concerning important decisions made by the Board to ensure the legality and correctness of the material information, in order to protect information equivalence of investor transaction.</p> <p>c. Registered the date of the Shareholders’ meeting in advance according to laws, and prepared meeting notices, handbooks and minutes within the statutory period.</p> <p>4. Chief corporate governance officer training records in 2019 (please refer to Note 4).</p>	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<p>“Stakeholder Zone” (URL: https://www.evergreen-marine.com/tw/tbi1/jsp/TBI1_Stakeholder.jsp) is set up in the Company’s website, which is divided into investor service, customer service, employee area, complaint mailbox and supplier area. Each area provides the information for contact person and phone number as communication channels with stakeholders. The issues concerned by stakeholders, relevant information and responses to these issues are</p>	None

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			<p>disclosed in the annual Corporate Social Responsibility Report in the “Corporate Social Responsibility Zone”.</p> <p>Based on the Company’s operating situation and previous experience in editing Corporate Social Responsibility Report, the topics that stakeholders concern are issued and identified by 22 departments of Evergreen Marine Corporation. Please refer to Note 5 for issues of concern to all stakeholders.</p> <p>The Company adopts an open and rigorous attitude on Corporate Social Responsibility and each corresponding department shall communicate with stakeholders in a way that is inclusive, substantive and responsive. The process includes the identification of stakeholders, issues of concern and the critical analysis of those issues, as well as proper responses to maintain a rapport.</p>	
6. Does the company appoint a professional shareholder service agency to deal with Shareholders’ Meeting affairs?		✓	The Company does not assign any agency to be in charge of its Shareholders’ Meeting affairs.	Although the Stock Dept. is managed by the Company itself, the related matters of Shareholders’ Meeting are handled in accordance with the laws and Articles of Incorporation to ensure its lawfulness, effectiveness, and safeness.
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		1. Financial and Business information: The Company has set up a corporate website (URL: http://www.evergreenmarine.com/tw/), where the financial	None

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			<p>and business information are disclosed, and designated relevant personnel to monitor and and provide investors with accurate company information.</p> <p>2. Corporate governance status: “Corporate Governance Zone” (URL: http://www.evergreen-marine.com/tw/tbi1/jsp/TBI1_Governance.jsp) is set up in the Company’s website, which has disclosed the structure of the corporate governance, the operation of the Board of Directors and the functional committees, “Articles of Incorporation”, Internal audit organization and implementation situation, corporate governance operating situation, situation of fulfilling social responsibilities, labor relations and the list of major shareholders, in order to assist stakeholders to understand the operation of corporate governance.</p>	
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated personnel to handle the Company’s information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		<p>The Company has set up an English website (URL: http://www.evergreen-marine.com/) and a designated personnel is responsible for the Company’s information collection and disclosure, and spokesperson system establishment. In addition, the Company’s website has disclosed the information about the investor conference information that the Company held or has been invited to over the years.</p>	None

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(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?		✓	The Company follows relevant laws and regulations to announce and report the annual financial statements on time after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline. Please see https://emops.twse.com.tw/server-java/t58query .	Though the Company didn't announce and report the annual financial statement within two months after the end of the fiscal year, the quarterly financial statements and the monthly operating situation are announced and reported within the prescribed time limit in accordance with the law.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices? (1) Employee rights and employee wellness	✓		1. Employee rights (1) In 2002, the company formulated the preventive and treatment measures of sexual harassment in the workplace, as well as the complaints and disciplinary measures, and set up a mailing box and a dedicated line on the internal website to properly protect the rights and interests of employees. (2) In accordance with the provisions of the Workplace Gender Equality Act, the Company treats all employees equally in terms of remuneration, performance evaluation, promotion and training, and arrange appropriate positions based on individual expertise and performance.	None

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			<p>(3) The company employs female crew members in succession with innovative employment concept and provides an excellent working environment where colleagues can learn from each other, respect each other and work together to deal with challenges.</p> <p>(4) Through comprehensive training system planning and one-on-one mentorship, the company ensures the normal functioning of various businesses. Regular appraisals and performance reviews provide references for employees’ future career development. Supervisors can also enhance two-way communication and coaching, strengthen employees performance, and plan their career development through appraisal.</p> <p>2. Employee care</p> <p>(1) The Company has a staff canteen to provide free lunch to take care of employees’ health and food hygiene.</p> <p>(2) In Taipei, Nankan and Kaohsiung, there are 24 clubs in three categories: ball sports, health and wellness, and outdoor recreation, which encourage employees to relieve work pressure, connect with others and promote physical and mental health.</p> <p>(3) Regularly organize group activities, such as Evergreen Family Day, basketball games, etc., to</p>	

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			<p>enhance employee communication and peer friendship.</p> <p>(4) Obtain the Healthy Workplace Accreditation, the Company has set up a dispensary staffed by medical personnel, providing free regular examination and results consultation and employees health management assistance, and establish an emergency medical rescue mechanism.</p> <p>(5) In terms of shipboard life, Evergreen’s modern container vessels provide a comfortable living environment with full-time chefs preparing nutritious meals for the crew. In most of the vessels, multiple communication software is provided for crews to stay in contact with their families at any time. When the vessels call at the port in Taiwan, the crew members’ families are allowed to visit them on the vessel.</p>	
(2) Investor relations	✓		<p>“Investor Service Zone” is set up in the Company’s website (URL: http://www.evergreen-marine.com/tw/tbf1/jsp/TBF1_FinancialReports.jsp) to provide investors with information on operations and finances.</p>	None
(3) Supplier relations and rights of stakeholders	✓		<p>Please refer to Corporate Social Responsibility under Corporate Governance Report in chapter 3.</p>	None
(4) Directors’ training records	✓		<p>The directors of the Company have completed training courses in 2019 according to “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE</p>	None

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(5) The implementation of risk management policies and risk evaluation measures	✓		Listed and TPEX Listed Companies”. Please refer to the MOPS for complete information of the continuing training of the Company’s directors. Please refer to the Assessment of Risk Management in chapter 7.	None
(6) Purchasing insurance for directors and supervisors	✓		The Company has purchased liability insurance for its directors since 2015.	None

9. Please specify the Company’s measures for the evaluation results published by Corporate Governance Center of Taiwan Stock Exchange Corporation which should be improved:

The Directors of the Company completed training courses in 2019 according to “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies” and the Company will continually encourage directors to attend training courses.

Table 1: Diversification of Board of Directors:

Title	Name	Gender	Business Management	Transportation Management	Finance Accounting	Law	Technology	Government & Supervision
Chairman	Chang, Cheng-Yung	Male	✓	✓				
Director	Chang, Kuo-Hua	Male	✓	✓				
Director	Chang, Kuo-Ming	Male	✓				✓	
Director	Ko, Lee-Ching	Female	✓	✓	✓			
Director	Hsieh, Huey-Chuan	Male	✓	✓				
Independent Director	Yu, Fang-Lai	Male	✓	✓				✓
Independent Director	Chang, Chia-Chee	Male	✓			✓		
Independent Director	Li, Chang-Chou	Male	✓		✓			

Table 2: The Evaluation Results of Board of Directors in 2019

	Self-evaluation of performance of the Board	Self-evaluation of performance of Board members (for themselves)	Self-evaluation of performance of the functional committees
Average score (Full score: 3)	2.88	2.81	2.68
Evaluation Results	Good	Good	Good

Table 3: Independence of CPA

Item	Evaluation	Independence of CPA
1. CPAs and their family members did not provide or receive gifts or special offers to the Company or its affiliates, top management, directors and supervisors, and did not affect or threaten the independence of the CPAs.	Conformity	Yes
2. CPAs and their family members or the management of the firm with supervisory duties did not have the following circumstances during the auditing period: <ul style="list-style-type: none"> - Serve as a manager, supervisor, or director of the Company or its affiliates. - Positioned as one who has a direct and significant influence on the company's accounting records or financial statements. 	Conformity	Yes
3. CPAs and their family members have not received any awards for non-audit services from the Company or its affiliates.	Conformity	Yes
4. One who resigned from CPAs or the auditing team did not have the following circumstances: <ul style="list-style-type: none"> - Acting as a director, supervisor(including non-executive director and supervisor) or top management of the Company or affiliates controlled by the Company, or one who may have a direct and significant influence on the company's accounting records or the financial statements audited by the firm. - Being promoted to the above positions. 	Conformity	Yes
5. During the auditing period, the members of the auditing team did not hold any appointments of the Company.	Conformity	Yes
6. CPAs appointed by the company have followed the rotation policy to reduce the threat posed by long-term appointments to independence and impartiality.	Conformity	Yes

Item	Evaluation	Independence of CPA
7. There are no direct or material indirect financial interests, financial agreements, bank deposits, securities accounts or insurance plans that violate the independence norms between the CPAs and their family members and the Company or its affiliates.	Conformity	Yes
8. There is no commercial cooperation or other commercial relationship between the CPAs and their family members and the Company.	Conformity	Yes
9. There is no pending or foreseeable lawsuit involving the audit or non-audit services of the firm between the CPAs and the Company, and no lawsuit which is significant to the firm or the Company.	Conformity	Yes
10. The Company or its affiliates have not owed professional fee to the firm for the provided service.	Conformity	Yes
11. The total amount of the professional fee of the Company and its affiliates would not have an influence on the independence of CPAs.	Conformity	Yes
12. There is no agreement between the CPAs and the Company to receive or pay commission, referral fee or professional fee.	Conformity	Yes

Table 4: Chief corporate governance officer training records in 2019

Name	Date	Professional Organization	Training sessions	Training hours
Hsieh, Shu-Hui	Aug.27	Taiwan Corporate Governance Association	Artificial Intelligence in Taiwan-Opportunities and Challenges of Industrial Transformation	1
	Oct.18	Taiwan Corporate Governance Association	Artificial Intelligence in Taiwan-Opportunities and Challenges of Industrial Transformation	3
	Nov.18	Governance Professionals Institute of Taiwan	2019 Related Party and Related Party Transaction Seminar	3
	Nov.21	Taiwan Stock Exchange Corporation	2019 Board Functions Enhancement Seminars	3
	Nov.27	Taiwan Corporate Governance Association	The 15th International Forum on Corporate Governance	6
	Dec.6	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
Total Training Hours				19

Table 5: Issues concerned by stakeholders

Stakeholder	Importance to the Company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
Employee	The members and the most important assets of the Company	<ul style="list-style-type: none"> • Sustainable strategies and implementation • Compensation, welfare and employee care • Regulatory compliance • Shipping management • Work environment safety and labor health maintenance 	<ul style="list-style-type: none"> • Contact person: Human Resources Dept. Ms. Chen • Email: hrd@everegreen-marine.com • e-bulletin board (ad hoc) • Operations meetings (every month) • Regular and irregular meetings (every month, any time) • EIP e-bulletin board (any time) • Telephone (any time) • Email (any time)
Competent authority	Communicate with the government in order to help the government agencies understand the operations of the Company and contribute our expertise in shipping to the policy and law-making process	<ul style="list-style-type: none"> • Product risk • Talent recruitment and training • Regulatory compliance • Pollutant emissions and management • Environmental impact and ecological conservation 	<ul style="list-style-type: none"> • Contact person: Project Dept. Mr. Yu • Email : csr@everegreen-marine.com • Telephone (ad hoc) • Letter (ad hoc) • Personal Visit (ad hoc) • Large Conference Call (ad hoc)
Supplier	Provide products and services that satisfy the Company's quality requirements and works together to create good services	<ul style="list-style-type: none"> • Sustainable strategies and implementation • Sustainable supply chain management • Service quality and customer satisfaction • Risk control • Operational performance 	<ul style="list-style-type: none"> • Contact person: Auditing Dept. Mr. Chen • Email : aud@everegreen-marine.com • Email (any time) • Meeting (1-2 times a year) • Supplier questionnaire survey (every year) • Supplier evaluation (every year) • Equipment efficiency statistical table (every month) • Company's website (every year)

Stakeholder	Importance to the Company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
Shareholder / Investor	Provide the necessary funds for the operation of the Company and require transparency with the operating situation	<ul style="list-style-type: none"> • Operational performance • Regulatory compliance • Corporate governance and ethical management • Shipping management • Risk control 	<ul style="list-style-type: none"> • Contact person: Stock Dept. Miss. Yang • TEL: 886-2-2500-1668 • Website: https://www.evergreen-marine.com/tw/tbf1/jsp/TBF1_FinancialReports.jsp • “Investor Service Zone” in Company’s website (any time) • Important financial and business information in MOPS (as specified by the competent authority) • Respond to investor inquiries (ad hoc) • Annual reports of Shareholders’ Meeting (every year) • Investor conference (ad hoc)
Customer	Through the optimization of services and communications to maximize value for customers	<ul style="list-style-type: none"> • Customer privacy protection • Service quality and customer satisfaction • Product risk • Ship safety • Shipping management 	<ul style="list-style-type: none"> • Contact person: Auditing Dept. Mr. Chen • Email : aud@evergreen-marine.com • Email (any time) • Telephone (any time) • Personal visit (ad hoc) • Company’s website/mobile device (any time) • Customer satisfaction survey (1-2 times a year) • OCEAN Alliance promotional seminar (ad hoc)
Media	Give the general public a better understanding of the Company through good communications and information dissemination	<ul style="list-style-type: none"> • Shipping management • Regulatory compliance • Talent recruitment and training • Service quality and customer satisfaction • Risk control 	<ul style="list-style-type: none"> • Contact person: Public Relation Dept. Miss. Yang • Email: babsyang@evergreen-marine.com • Telephone (any time) • Email (any time)

Stakeholder	Importance to the Company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
Other shipping companies	Meet customer needs through Alliances joint services which meet the requirements of the Company	<ul style="list-style-type: none"> • Shipping management • Regulatory compliance • Service quality and customer satisfaction • Sustainable strategies and implementation • Compensation, welfare and employee care 	<ul style="list-style-type: none"> • Meeting (quarterly) • Telephone (ad hoc) • Email (ad hoc) • Personal visit (ad hoc)
Community and society	Local residents and groups that are closely connected to the Company's location and services	<ul style="list-style-type: none"> • Compensation, welfare and employee care • Labor-capital relations • Pollutant emissions and management • Talent recruitment and training • Environmental impact and ecological conservation 	<ul style="list-style-type: none"> • Contact person: General Affairs Dept. Mr. Yu • E-mail : charlesyu@everegreen-marine.com • Personal visit (ad hoc)
Social group and non-profit organization	Our partners in the engagement of social care and charitable activities	<ul style="list-style-type: none"> • Pollutant emissions and management • Talent recruitment and training • Compensation, welfare and employee care • Labor-capital relations • Environmental impact and ecological conservation 	<ul style="list-style-type: none"> • Contact person: Human Resources Dept. Ms. Chen • Email : hrd@everegreen-marine.com • Telephone (ad hoc) • Email (ad hoc) • Personal visit (ad hoc) • Meeting (ad hoc)