

WAN HAI LINES LTD.

Reporting system for unlawful and unethical practices (including corruption)

- I. The Company encourages internal and external personnel to report any misconduct that is unlawful or in violation of the "Ethical Corporate Management Best Practices Principles" or the "Ethical Corporate Management Procedures and Conduct Guidelines." However, if there are false reports or malicious allegations by internal personnel, they will be punished in accordance with the rules of the Company and in accordance with the seriousness of the circumstances.
- II. The Company has announced an internal independent reporting mailbox, comment@wanhai.com, on the Company website and internal website, for the use of internal and external personnel of the Company. The reporting personnel shall provide the following information at a minimum:
 1. The name, ID number, address, phone number and email of the reporter, where the reporter can be reached.
 2. The name of the person to be reported for the violation or other information that can identify the accused person.
 3. Specific evidence that can be used for investigation.
- III. Personnel of the Company who handle reported violations shall use written declarations to ensure that the identity of the reporter and the content of the report are kept confidential. The Company also promises to protect the reporter from improper or unfair treatment because of the reported violation.
- IV. The Company's dedicated unit shall handle the report according to the following procedure:
 1. For reporting that involves regular employees, the head of the department shall be notified. For reporting that involves directors or managers, the independent directors shall be notified.
 2. The Company's dedicated unit and its notified supervisors or personnel of the preceding paragraph shall, as soon as possible after receiving the report, ascertain the relevant facts and, if necessary, receive assistance from other relevant departments.

3. If the person being reported is proven to have indeed violated relevant regulations or the Company's ethical corporate management policy rules, the Company will require the person to immediately cease his/her improper behavior and make an appropriate disposition. The Company will take necessary actions, including legal proceedings for claiming damages and remedy, if necessary, to protect the Company's reputation, rights and interests.
 4. The Company may provide the accused person with an opportunity to make a statement or appeal before it makes a decision on disciplinary action.
 5. The violation reporting, investigation process and the investigation result shall be documented and be saved for five years. The storage method can be in electronic format. If a lawsuit relevant to the report occurs before the expiration of the above storage period, the relevant data shall be kept until the conclusion of the lawsuit.
 6. If the reported violation is verified to be true, it shall be handled in accordance with the regulations, laws, and the relevant rules of the Company. The reporter shall be awarded appropriately in accordance with his/her contribution and the economic benefits or interests affected by the incident.
 7. If the reported violations have been verified, the Company's related units shall be instructed to review and revise the relevant internal control measures and operating procedures, and propose corrective measures to prevent the re-occurrence of such incident.
 8. The Company's dedicated unit shall report the violations, their handling actions, and follow-up review and corrective measures to the Board of Directors.
- V. The reporting policy was enacted on December 19, 2018, and was implemented after adoption by the resolution of the Board of Directors. The same applies to the amendment.