

COSCO SHIPPING Energy Transportation Co., Ltd.

Remuneration Management System for Directors and Senior Management

Article 1 This System is hereby formulated to further improve the incentive and constraint mechanism for the remuneration of directors and senior management of COSCO SHIPPING Energy Transportation Co., Ltd. (hereinafter referred to as the “Company”), to fully motivate the work enthusiasm of directors and senior management, and based on the Company’s actual conditions, in accordance with the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, the *Guidelines on Corporate Governance for Listed Companies*, the *Measures for the Administration of Independent Directors of Listed Companies*, and other relevant laws, regulations, and normative documents, as well as the Articles of Association of COSCO SHIPPING Energy Transportation Co., Ltd. (hereinafter referred to as the “Articles of Association”).

Article 2 This System applies to the Company’s Directors, General Manager, Deputy General Managers, Financial Controller, General Counsel, Secretary to the Board, and other senior management as stipulated in the Articles of Association.

Article 3 The remuneration of directors and senior management of the Company shall be based on performance evaluation as a key criterion, with the following management principles:

- (1) Strictly standardizing remuneration management. Strictly implement the relevant decisions and arrangements of higher-level authorities, and implement an income distribution mechanism that combines incentives and constraints, and places equal emphasis on efficiency and fairness.
- (2) Reflecting a value creation orientation. Establish a remuneration assessment and distribution mechanism that aligns with the functional nature of the enterprise, fits the characteristics of the positions, links to comprehensive assessment results, and connects to value contribution, thereby stimulating the innovation and entrepreneurial vitality of directors and senior management.
- (3) Coordinating market benchmarking with the Company’s actual conditions. Based on the attributes of central state-owned enterprises, benchmark against leading enterprises and niche players in different industries by sector, conduct scientific market benchmarking of remuneration, and enhance the objectivity, scientificity, and fairness of remuneration levels.

Article 4 The Remuneration and Appraisal Committee of the Board of the Company is the management authority for assessing directors and senior management and determining their remuneration. It is responsible for formulating the assessment standards and conducting assessments of directors and senior management, formulating and reviewing the remuneration policies and plans for directors and senior management, and making recommendations to the Board on the following matters:

- (1) The remuneration of directors and senior management;
- (2) Formulating or amending equity incentive schemes, employee stock ownership schemes, and conditions for incentive participants to be granted with and exercise interests;
- (3) Shareholding schemes arranged by directors and senior management in the proposed spin-off subsidiaries;
- (4) Other matters stipulated by laws and regulations, relevant rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Article 5 The Remuneration and Appraisal Committee of the Board of the Company shall be responsible for organizing the assessment and evaluation of directors and senior management, and formulating the remuneration schemes for directors and senior management in accordance with the Company's remuneration management system. The remuneration scheme for directors shall be determined by the general meeting and disclosed accordingly. The remuneration scheme for senior management shall be approved by the Board, presented to the general meeting for explanation, and disclosed accordingly.

Article 6 The remuneration of the directors (excluding independent non-executive directors) and senior management of the Company shall consist of basic salary, performance annual salary, term-based incentives, special rewards, and medium-to-long term incentive income. Independent directors shall be paid by way of independent director allowance, and the allowance scale shall be implemented upon approval by the general meeting. Reasonable expenses incurred by directors in the performance of their duties shall be borne by the Company.

Article 7 The basic salary of the directors and senior management of the Company shall be determined with reference to market remuneration levels and job responsibilities. The performance annual salary shall be linked to the assessment results of the Company and the individual. The term-based incentives, special rewards and medium-to-long term incentives shall be deliberated and determined by the Board. In principle, the proportion of performance annual salary shall be no less than 60% of the aggregate amount of basic salary and performance salary.

Article 8 The Company shall establish a deferred payment mechanism for performance annual salary. For senior management of the Company who satisfy the applicable conditions for deferred payment, 90% of the assessed performance annual salary shall be paid in the current year, and the remaining 10% shall be deferred. The deferred portion shall be linked to risk prevention and control and duty performance, and shall in principle be settled and paid after a deferral period of three years.

Article 9 The Company shall establish a payment suspension and recovery mechanism. In the event of any of the following circumstances, the performance annual salary, term-based incentives and other remuneration of the Company's directors and senior management shall be reassessed, correspondingly reduced or recovered depending on the severity of the circumstances:

- (1) Restatement of the Company's financial statements due to misstatement;
- (2) Directors and senior management of the Company causing losses to the Company by breach of their duties;
- (3) Directors and senior management of the Company being at fault for illegal or irregular conduct including financial fraud, fund occupation and illegal guarantee;
- (4) Other circumstances where remuneration reduction is deemed necessary by the Board.

Article 10 Social insurance, housing provident fund and other welfare benefits of directors and senior management of the Company shall be handled in accordance with relevant national and the Company's regulations.

Article 11 Individual income tax and the individual contributions to social insurance and housing provident fund of directors and senior management of the Company shall be borne by individuals themselves.

Article 12 The timing and method of remuneration payment for directors and senior management of the Company shall be implemented in accordance with the relevant remuneration payment provisions of the Company.

Article 13 Where directors and senior management of the Company leave office due to change of term, re-election or other reasons, their remuneration shall be calculated and paid based on their actual term of office and actual performance.

Article 14 Adjustments to the remuneration of directors and senior management of the Company shall be determined primarily on the basis of the following factors:

- (1) The inflation level and the actual purchasing power of remuneration;
- (2) The Company's operating performance, financial position and capacity for sustainable development;
- (3) Adjustments to the Company's development strategy, organizational structure and job responsibilities;
- (4) Changes in personal positions, job reassignments and the results of performance appraisals.

Article 15 The mechanism for determining the Company's total payroll shall be established in accordance with the relevant administrative measures on the total payroll of the Company.

Article 16 Matters not covered herein or any conflict with existing laws, regulations, normative documents, regulatory rules and the Articles of Association shall be governed by the provisions of such laws, regulations, normative documents, regulatory rules and the Articles of Association.

Article 17 This System and any amendments thereto shall come into effect on the date of the adoption by resolution of the general meeting.

Article 18 The Board shall be responsible for the interpretation of this System.