

(In the event of conflicts or inconsistent meaning between the Chinese and the English versions of the Rules, the Chinese version shall prevail.)

**COSCO SHIPPING Holdings Co., Ltd.
Rules of Procedure for the Audit Committee
of the Board of Directors**

(Approved by the 2nd Meeting of the Seventh Session
of the Board of Directors of the Company)

Chapter I General Provisions

Article 1

In order to improve and standardize the rules of procedures and decision-making procedures of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of COSCO SHIPPING Holdings Co., Ltd. (the “Company”), improve the working efficiency and scientific decision-making level of the Audit Committee, and ensure a smooth progress of the Audit Committee’s work, the Rules are formulated in accordance with the requirements of the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, Measures for the Administration of Independent Directors of Listed Companies, the Listing Rules of Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (collectively hereinafter referred to as the “Listing Rules of the Listing Places”), Shanghai Stock Exchange Guidelines for Self-regulation of Listed Companies No. 1 – Standardized Operation, the Articles of Association of COSCO SHIPPING Holdings Co., Ltd. (hereinafter referred to as the “Articles of Association”) and the Rules of Procedures of the Board of Directors of COSCO SHIPPING Holdings Co., Ltd., and in combination with practical situations of the Company. In the event of inconsistencies or conflicts between these rules of procedures and any applicable laws and regulations or the Listing Rules of the Listing Places, the applicable laws and regulations and the Listing Rules of the Listing Places shall prevail.

Chapter II Duties and Responsibilities of the Audit Committee

Article 2

The Audit Committee is a special working body of the Board established in accordance with the Articles of Association. It is accountable to and shall report to the Board. It shall exercise the following duties and powers:

- (1) Formulate policies, procedures and relevant internal control systems for the selection and appointment of external auditors as authorized by the Board; propose to start the work related to the selection and appointment of external auditors, review the selection and appointment documents, determine the evaluation factors and specific evaluation criteria, and supervise the selection and appointment process; make recommendations to the Board of Directors on the appointment, re-appointment and audit fees or and dismissal of external auditors, approve the remuneration and terms of engagement of external auditors, and handle any questions relating to the resignation or dismissal of external auditors; when the Audit Committee exercises the aforementioned powers, it shall not be inappropriately affected by the Company's major shareholders, actual controllers, directors, supervisors, or senior management officers;
- (2) Supervise and evaluate the works of external auditors; review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; urge the external auditors to be honest, trustworthy, diligent and responsible, as well as check and verify the Company's financial reports, perform the special care obligations, and prudently express professional opinions. To this end, the Audit Committee must:
 1. Consider relationships between the Company and the external auditors (including non-audit services);
 2. Collect data from the external auditors on an annual basis, understand the policies and procedures adopted by the auditors to maintain their independence and to supervise the implementation of the relevant rules, including the regulations on providing non-audit services and change of auditing partners and personnel;
 3. Meet with external auditors at least two times a year without the presence of management team to discuss matters related to audit fees, any matters arising from audit work and other matters raised by external auditors;
 4. Conduct annual review on the nature and fee levels of all non-audit services performed by external auditors, the levels of individual service fees and total service fees for the external auditor and criteria for determining the compensation of the individuals performing the audit, consider whether there are safeguards in place to supervise the external auditors to ensure that there is no threat to the objectivity and independence of their audit work when providing such non-audit services;
 5. Review the policies regarding employment of staff or former staff of external auditors, supervise the application of such policies and consider, in this regard, whether the circumstances impair (or appear to impair) the external auditors' judgment or independence for the audit work;
 6. Regularly (at least on an annual basis) submit to the Board an evaluation report on the performance of the engaged audit firm and a report on the performance of the supervisory duties by the Audit Committee.

- (3) Discuss with auditors the nature and scope of the audit and reporting obligations before the audit commences: the audit scope, audit plan, audit method and material issues discovered; supervise and evaluate whether the external audit firm is diligent and responsible;
- (4) Develop and implement policies on the provision of non-audit services by external auditors. The Audit Committee shall report to the Board on any matters where action or improvement is needed, and make recommendations. For this purpose, “external auditors” include any entity that is under common control, ownership or management with the audit firm, or an entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally;
- (5) Audit the financial information and disclosure of the Company, monitor the integrity of the Company’s financial statements, annual reports and accounts, interim reports, quarterly reports and monthly reports, and review the significant financial reporting opinions contained in financial statements and reports, and advise on the truthfulness, integrity and accuracy of financial reports. In reviewing the aforesaid reports and financial data before submission to the Board, the Committee shall focus primarily on the following items:
 1. Any changes in the accounting policies and accounting estimates or corrections of material accounting errors and any changes in the practices;
 2. Matters involving significant judgement;
 3. Significant adjustments caused by audit;
 4. The going concern assumptions and any qualifications;
 5. Compliance with accounting standards;
 6. Compliance with the Listing Rules of the Listing Places and legal requirements in relation to financial reporting;
- (6) Regarding the aforesaid sub-clause (5):
 1. The Committee members should liaise with the Board and senior management officers of the Company;
 2. The Committee should consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts, and should give due consideration to any matters raised by the accounting and financial reporting staff or auditors of the Company;

3. Pay special attention to the possible existence of fraud, misconduct and material mistakes relating to financial reporting;
 4. Supervise the rectification of financial reporting problems, urge the relevant responsible departments of the Company to formulate corrective measures and a timetable for rectification, conduct follow-up reviews, supervise the implementation of the corrective measures, and disclose the completion status of the rectification in a timely manner in accordance with the applicable listing rules of the places where the securities of the Company are listed;
- (7) Review the financial controls, internal controls and risk management systems of the Company;
- (8) Supervise and evaluate the internal audit work, review the effectiveness of internal audit function, and ensure the coordination of work between internal and external auditors. Supervision is also required to ensure the internal audit function is adequately resourced, and has appropriate standing in the Company. To this end, the Audit Committee must:
1. Guide and supervise the establishment and implementation of the internal audit system;
 2. Review the annual internal audit work plan of the Company;
 3. Supervise the implementation of the internal audit plan of the Company, hear the report from the internal audit department quarterly, which include but are not limited to the execution of the internal audit plan and any issues identified during the internal audits, and hear the internal audit work report of the internal audit department's after the end of each year;
 4. Guide the effective operation of the internal audit department. The internal audit department of the Company shall report its work to the Audit Committee. Various types of audit reports, rectification plans for auditing problems and the status of rectification shall be submitted by the internal audit department to the management are required to be delivered concurrently to the Audit Committee;
 5. Report to the Board on the progress and quality of internal audit work and the major problems identified;
 6. Coordinate the relationship between the internal audit department and the external audit units including the accounting firms and the national audit institutions.
- (9) Unless otherwise specified in laws and regulations, the Audit Committee shall supervise the internal audit department to review the following matters, prepare a review report and submit it to the Audit Committee at least once every six months. The Audit Committee shall timely report to the Shanghai Stock Exchange any non-compliant or nonstandard operation as it identifies:
1. implementation of significant matters including use of proceeds, provision of guarantees, related party transactions, securities investment and derivative transaction, financial assistance, purchase or sale of assets and external investment;
 2. large-value transactions of the Company and the transactions with directors, supervisors, senior management officers, controlling shareholders and de facto controllers and their related parties.

- (10) Continuously monitor the actual management and use of raised funds, supervise the internal audit department to inspect the storage and usage of the raised funds at least once every six months, and promptly report the inspection results to the Audit Committee. If the Audit Committee identifies any violations, significant risks in the management of the raised funds, or if the internal audit department fails to submit inspection reports as the aforesaid requirements, the Audit Committee should promptly report to the Board;
- (11) Supervise and evaluate the internal controls of the Company. Issue a written assessment of the effectiveness of the Company's internal controls based on the internal audit reports and relevant information submitted by the internal audit department, and report to the Board; the Board or the Audit Committee shall appraise the establishment and implementation of the Company's internal controls and issue an annual internal control self – appraisal report based on the appraisal report and the relevant information provided by the internal audit department. The internal control self-appraisal report shall at least include the following contents:
 1. A declaration from the Board regarding the truthfulness of the internal control report;
 2. The overall internal control appraisal results;
 3. The basis, scope, procedures and methods used in internal control appraisals;
 4. Any defects of internal control and their confirmed status;
 5. Rectification of internal control defects existing in the previous year;
 6. Rectification measures intended to be adopted against internal control defects existing in the current year;
 7. Conclusion on internal control effectiveness;
- (12) Discuss with the management on risk management and internal control systems to ensure that the management has performed its duties and established effective systems. Matters to be discussed shall include the adequacy of resources, staff qualifications and experience, training programmes and the budget of the Company's accounting and financial reporting function;
- (13) To consider major investigation findings on risk management and internal control matters and responses of the management on investigation findings on its own initiative or as delegated by the Board;
- (14) Review the financial and accounting policies and practices of the Company;
- (15) Appointment or dismissal of the financial controller of the Company, and submit to the Board for consideration;
- (16) Review the Explanatory Letter of Audit Matters issued by external auditors to the management, and any material queries raised by the auditors about accounting records, financial accounts or supervision systems to the management and management's responses;

- (17) Ensure that the Board will provide a timely response to the issues raised in the Explanatory Letter of Audit Matters provided by the external auditors to the management;
- (18) Review the following arrangements made by the Company: employees of the Company may raise concern secretly on improper conduct or matters that may have occurred in financial reporting, internal control or other aspects; ensure suitable arrangement is in place for the Company to perform fair and independent investigations on such matters and to take proper actions; act as the main representative between the Company and external auditors and be responsible for supervising the relationships between them;
- (19) Report to the Board of Directors on the aforesaid matters and matters specified in Code Provision D.3 of Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; the decisions or recommendations of the Committee shall be reported to the Board unless otherwise restricted by laws or regulations, and the audit committee should report to the board, identifying and making recommendations on any matters where action or improvement is needed;
- (20) Other duties assigned by the Board or consider other topics defined by the Board;
- (21) Review and supervise corporate governance work of the Company, including but not limited to:
 1. Assist in formulating and review the corporate governance policies and practice of the Company, and make recommendation to the Board;
 2. Review and supervise the training and continuous professional development of the directors and senior management officers;
 3. Review and supervise the Company's policies and practice on compliance with laws and regulatory requirements;
 4. Formulate, review and supervise the codes of conduct and compliance manuals (if applicable) of employees and directors;
- (22) Review the Company's compliance with the Corporate Governance Code of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and disclosure in the Corporate Governance Report;
- (23) Other relevant matters on the Audit Committee and corporate governance work as set out in the code provisions of the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Listing Rules of the Listing Places, which may be revised as necessary.

Article 3

The following matters shall be submitted to the Board for consideration with the consent of more than half of all members of the Committee:

- (1) Disclosure of financial information and internal control evaluation reports in financial accounting reports and regular reports;
- (2) Engagement or dismissal of an accounting firm that undertakes the audit of the Company;
- (3) Appointment or dismissal of the financial controller of the Company;
- (4) Changes in accounting policies and accounting estimates or corrections of material accounting errors due to reasons other than changes in accounting standards;
- (5) Other matters stipulated by laws, administrative regulations, the CSRC or the Listing Rules of the Listing Places and the Articles of Association.

Chapter III Composition of the Audit Committee

Article 4

The Committee shall comprise at least three directors. The members of the Audit Committee must all be non-executive directors who do not serve as senior management officers in the listed company, with a majority being independent non-executive directors, with at least one independent non-executive director shall be a professional in accounting sector (with appropriate professional qualifications or appropriate accounting or financial management expertise as required in Rule 3.10 (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited). and the requirements to accounting professional under the Rule 3.5.7 of the Shanghai Stock Exchange Guidelines for Self-regulation of Listed Companies No. 1 – Standardized Operation. Members of the Audit Committee shall have professional knowledge and experience to perform the duties of the Audit Committee competently. A former partner of the existing external audit firm of the Company should be prohibited from acting as a member of the Audit Committee within two year from the date of his resignation or ceasing to have any financial interest in the existing external audit firm (whichever is later).

Article 5

The Audit Committee shall have one Chairman who must be an independent non-executive director, and shall (1) have appropriate professional qualifications, or be independent non-executive Director with appropriate accounting or related financial management expertise, and (2) meet the qualification requirements for an accounting professional of the stock exchanges where the Company's securities are listed. The members and Chairman of the Audit Committee shall be nominated by the Chairman of the Board after discussion with relevant directors, and approved by the Board for the appointment to become effective.

Article 6

Members of the Committee shall be elected for a term of office equivalent to that of the directors. They may stand for re-election upon expiry of the term. Any Committee member who has ceased to be a director or any Committee member who is an independent non – executive director but loses his/her independence as required in laws, rules and regulations, normative documents, the Listing Rules of the Listing Places or the Articles of the Association, shall be disqualified automatically as a member of the Committee, and the vacancy shall be filled timely by the Board according to procedures. If, as a result of the resignation of an independent director, the proportion of independent directors on the Audit Committee fails to comply with the requirements of these rules or the Articles of Associations, or if there is shortage of accounting professionals among the independent directors, the independent director who intends to resign shall continue to perform his/her duties until the date on which a new independent director is elected. The Company shall complete the by-election within sixty days from the date of the resignation of the independent director.

Chapter IV Meeting System of the Audit Committee

Article 7

Regular meetings of the Audit Committee will be held before the convening of each regular Board meeting in each quarter. Pursuant to the relevant requirements of applicable laws, regulations, normative documents, the Listing Rules of the Listing Places, the Articles of Association and the Rules, extraordinary meetings of the Audit Committee may also be convened.

Article 8

Meetings shall mainly be conducted in form of on-site meetings. When necessary, Committee members can attend the meeting via video, telephone communications or written resolutions with the consent from the Chairman of the Committee and subject to the condition that the identity of the Committee members can be confirmed and that Committee members can fully express their opinions.

Chapter V Meeting Rules and Voting Procedures of the Audit Committee

Article 9

Solicitation of proposals

The working body of the Audit Committee shall be responsible for soliciting proposals of the meetings. A notice of solicitation of proposals shall be issued 30 business days before the date of convening a regular meeting of the Audit Committee. The proposer of each relevant proposal shall submit the title of proposal within 5 business days upon receipt of the notice. After processing, the relevant information shall be submitted by the working body of the Committee to the Chairman of the Committee for review and approval. The Chairman may request for amended or supplementary proposals.

The working body of the Committee shall issue a formal notice of meeting 20 business days before the date of convening a regular meeting of the Audit Committee to inform all members, senior management officers of the Company and other participants about the time, venue and agenda of the meeting. The proposer of each proposal shall submit materials of the proposal to the working body of the Audit Committee at least 5 business days before the date of convening the meeting. The working body shall deliver the relevant meeting documents to all members 3 business days prior to the date of meeting.

Article 10

In principle, a written notice shall be sent to all members of the Audit Committee 20 business days in advance for each regular meeting of the Audit Committee; and a written notice shall be sent to all members and other attendees at least 10 business days in advance for extraordinary meetings. Under special circumstances, if two-thirds of the members of the Committee have no objection, the notice period may be less than 5 days, and other methods of notice may be used.

Article 11

Meetings shall, in principle, be held in the form of physical meetings, however, where necessary, video conferencing, or teleconferencing may be adopted in accordance with the procedures provided that all attending Directors can fully communicate with each other and express their own opinions.

Article 12

At least one meeting shall be convened by the Audit Committee per quarter. The Audit Committee may also convene extraordinary meetings as and when necessary. When proposed by more than 2 members of the Audit Committee, or when the Chairman of the Audit Committee considers necessary, an extraordinary meeting may be convened. Meetings of the Audit Committee shall be held with the presence of more than two-thirds of the Committee members. Every member has one vote. A resolution shall only be valid when it is approved by more than 50% of all the Committee members. In any circumstances where the number of votes is equal, the Chairman of the Audit Committee shall have an additional or decisive vote.

Article 13

Meetings of the Audit Committee shall be attended by members in person who shall express their opinions clearly on the matters being considered. If a Committee member is unable to attend the meeting in person for any reasons, he/she review meeting materials in advance to form clear opinions, and submit an instrument of proxy duly signed by him/her to appoint another Committee member to attend the meeting on his/her behalf and express opinions. The instrument of proxy shall have a clear scope of authorization and time limit. Each Committee member may accept proxy appointment from one Committee member at maximum. If a Committee member, who is also an independent director, cannot attend a meeting in person, he/she shall appoint other Committee members who are also independent directors to attend on his/her behalf.

Article 14

Meetings of the Audit Committee shall be chaired by Chairman of the Audit Committee. If the Chairman of the Audit Committee cannot preside at the meeting for any reasons, another independent non-executive director in the Audit Committee shall preside at such meeting. If there are two or more independent non-executive directors in presence, an independent non – executive director shall be elected by a majority of the Committee members to chair such meeting.

Article 15

Based on the agenda and requirements of the meetings, the Audit Committee can invite other persons relating to the subjects of the meeting to introduce the relevant situations or listen to the relevant opinions, and such persons shall not be absent from the meeting without proper reasons. Such invited persons shall not participate in the discussion or affect the progress, voting or resolution of the meeting.

Article 16

In principle, the Committee shall not review the subjects or items not listed in the notice of the meeting. In special circumstances where new subjects or items have to be added, such additional provisional subjects or items shall be reviewed and resolution shall be passed with the consent of more than two-thirds of the Committee members.

Chapter VI Decisions and Minutes of Meetings of the Audit Committee

Article 17

The Committee members shall vote on the proposals and assume the responsibilities for such vote. The chairperson of the meeting shall calculate the voting results of each proposal to be approved when he/she has received the prescribed valid votes. Each approved proposal shall become a resolution after confirmation by all attending Committee members. Minutes of each meeting shall be prepared and signed by all attending Committee members. The Committee members shall have the right to make explanatory comments in the minutes on their speeches made at the meetings. The draft and the final versions of the meeting minutes/resolutions shall be delivered to all Committee members within a reasonable time for review. The Committee members can provide comments on the draft version, and the final version shall be signed by Chairman of the Committee after being reviewed by the Committee members.

Article 18

Meeting minutes of the Committee shall include:

- (1) Date and location of the meeting and name of the convener;
- (2) Number of Committee members that should attend and the actual number present;

- (3) Description of the meeting procedures and the legality and validity of resolutions;
- (4) Description of the contents and the voting results of proposals reviewed and voted at the meeting;
- (5) Other matters to be specified and recorded in the minutes.

Article 19

Minutes of meetings and other meeting materials shall be kept by the Company in accordance with the file management system, and the materials of the meeting shall be kept for 10 years. Retrieval of documents shall be made in accordance with the document management system and procedures. Members of the Board shall have the right to review the aforesaid materials.

Article 20

After the Audit Committee resolved on a resolution, if such resolution needs to be submitted to the Board for discussion, the Audit Committee shall submit the same to the Board in a timely manner.

Article 21

The Company shall ensure that the Audit Committee has sufficient resources to perform its obligations.

Article 22

The Chairman of the Committee shall attend the Company's annual general meeting of shareholders (if the Chairman of the Committee cannot attend the meeting in person, he/she shall designate at least one member of the Committee to attend) and respond to questions raised by the shareholders.

Chapter VII Supplementary Provisions

Article 23

Any matters not specified under the Rules or matters in conflict with the laws, regulations, normative documents, the Listing Rules of the Listing Places or the Articles of Association promulgated or revised after the effective date of the Rules shall be handled according to the relevant requirements of the applicable State laws, regulations, normative documents, the Listing Rules of the Listing Places or the Articles of Association.

Article 24

If the Rules need to be revised based on changes in practical circumstances, the Audit Committee shall provide revision suggestions, which shall be submitted to the Board for review and approval.

Article 25

The Rules, upon the Board of Directors' approval, shall be implemented simultaneously with the Articles of Association (Draft Proposed Amendment in March 2024) which has been considered and approved by the Shareholders' meeting of the Company.

Article 26

The Board of the Company shall be responsible for interpretation of the Rules.