

momo.com Inc.
Risk Management Policies and Procedures

Approved by BOD on Nov. 07, 2023

Chapter I Risk Management Goals

Article 1

In order to establish a sound risk management operation to evaluate and identify potential matters that may affect the company, so as to effectively control various risks within the company's risk appetite and promote the company's stable operation and business towards the corporate sustainable development goals, with reference to the framework of the "Best Practice Principles on Risk Management for TWSE / TPEx Listed Companies" of TWSE, these policies and procedures have been formulated for the company and its subsidiaries to abide by.

Article 2

When establishing a company's risk management system, in addition to complying with relevant laws and regulations, risk management at all levels of the company shall be implemented in accordance with these policies and procedures.

Chapter II Risk Governance and Culture

Article 3

The risks mentioned in these policies refer to the losses caused by uncertain factors and events that affect the company's regular business activities when the company carries out its daily operations. The major risks identified by the company include:

1. Operating risks

These refer to risks of impacting profitability or causing significant economic losses due to business strategies, financial and taxes, human resources, customer relations, supply chain, goodwill and other related management indicators.

2. Digital technology risks

These refer to the risks of information system software and hardware failures, backup errors, improper security protection, or personal data being stolen, leaked, altered, or damaged, resulting in economic or goodwill losses.

3. Legal compliance risks

These refer to the risks that a company's activities fail to comply with the relevant regulations of the competent authority, or that the contracts and regulations undertaken by it are inadequate, resulting in significant financial or goodwill losses.

4. Operational risks

Risks of losses caused by inappropriate or failed internal operational processes and systems, human negligence or improper operation.

5. Climate change risks

These refer to the risks of financial losses caused by immediate or long-term extreme climate events, or the risks of technological changes and market changes caused by the low-carbon economy.

6.Social risks

These refer to the risks that the declining birthrate causing a shortage of workers in the labor market, or social issues such as emerging infectious diseases and the widening gaps between the haves and have-nots impacting profitability or causing significant economic losses.

7.Other and emerging risks

These refer to new and developing risks that may have an impact on the company in addition to the above-mentioned risks.

Article 4

In the face of uncertain factors that may threaten the company's operations, risk-bearing units will be called to deliberate, and external consultants will be consulted as needed to assess risks and provide suggestions for prevention as early as possible, so as to effectively identify, analyze, evaluate, respond to, supervise and review various risks, and to reasonably ensure the achievement of the company's strategic goals.

Chapter III Organizational Structure and Areas of Responsibilities for Risk Management

Article 5 (Board of Directors)

As the company's highest decision-making unit for risk management, it approves risk management policies and related regulations, oversees the implementation of risk management policies, and ensures the effective operation of the risk management mechanism.

Article 6 (Audit Committee)

The Committee reviews risk management policies and supervises the implementation of risk-related strategies.

The Audit Office assists the Audit Committee in performing its risk management responsibilities and is responsible for the overall risk management matters, including:

- 1.Developing risk management policies and procedures.
- 2.Integrating and coordinating cross-unit risk management related reports.
- 3.Compiling and submitting company risk management implementation reports on a regular basis (at least once a year);
- 4.Tracking the implementation of risk management resolutions of the Board of Directors or Audit Committee.

Article 7 (Operating Units)

Each operating unit is responsible for initial risk identification, assessment and control, and the person in charge of each operating unit is responsible for planning and supervising the risk management work within the unit. The main responsibilities of each operating unit include:

- 1.Identifying risk sources, analyzing and evaluating the impact of risks when they occur, taking risk responses, and if necessary, establishing relevant crisis management mechanisms.
- 2.Reviewing business risks and control points, and paying attention to the latest regulatory amendments and revisions and business-related letters and orders announced by the competent authorities; if necessary, relevant internal regulations may be revised.

- 3.Ensuring the effective implementation of internal control procedures and compliance with risk management procedures.
- 4.Implementing the risk management decisions of the Board of Directors and guiding resource allocation.
- 5.Reviewing the implementation of risk management and proposing necessary improvement plans.
- 6.Planning risk management-related training and improving unit’s risk awareness and culture.
- 7.Regularly (at least once a year) providing important risk management information to the Audit Office for compilation and reporting.

Article 8 (Audit Office)

The Audit Office is an independent unit under the Board of Directors. Its responsibilities include:

- 1.Formulating annual audit plans in accordance with these procedures and various internal management systems.
- 2.Conducting independent inspections and making improvement suggestions on the effectiveness of risk management activities, and assisting the Board of Directors and managers in checking and reviewing the actual implementation of risk management in each operating unit.
- 3.Regularly reporting audit implementation results to the Audit Committee and the Board of Directors to reasonably ensure that the company carries out effective operational risk management.

Chapter IV Risk Management Procedures

Article 9

The company’s risk management procedures are divided into five major elements: risk identification, risk analysis, risk assessment, risk response and risk monitoring and review.

Article 10 (Risk Identification)

Each operating unit shall identify potential risk events according to the company’s strategic goals and the business responsibilities of the unit it’s under based on past experience and information, while considering internal and external risk factors and key concerns of stakeholders.

Article 11 (Risk Analysis)

Each operating unit shall evaluate the integrity of current internal controls, past experience, cases in the industry, etc. based on the identified risk events, while analyzing the likelihood and impact of the risk events.

Article 12 (Risk Assessment)

Each operating unit shall formulate proper quantitative or qualitative measurement standards based on the risk analysis results to express the probability and impact of risk events, and it is also suggested that risk tolerance (risk appetite) be assessed.

Article 13 (Risk Response)

After risk assessment, each operating unit shall, in addition to continuous monitoring of potential risk events, take the following response measures to control them within the risk tolerance.

1. Risk avoidance: not to be involved in or to withdraw from a risk situation.
2. Risk transfer: transferring the cost of losses using contracts, insurance, or other means.

3. Risk reduction: adopting proper management measures or formulating response plans and specifications to reduce the probability of risk occurrence.

Article 14 (Risk Monitoring and Review)

1. For the handling methods and reporting procedures of the relevant risks involved in daily operating activities, each operating unit shall formulate relevant handling procedures; various risk management information shall be reported to supervisors at all levels regularly. If a major abnormal event is discovered, it shall be reported immediately in accordance with relevant measures.
2. The Audit Committee reviews the implementation of risk management, makes necessary improvement suggestions, and reports to the Board of Directors on a regular basis.
3. The Board of Directors oversees the implementation of risk management policies and ensures the effective operation of the risk management mechanism.

Chapter V Risk Reporting and Disclosure

Article 15

1. The risk management implementation process and its results shall be recorded, reviewed and reported through appropriate mechanisms, and shall be properly kept for future reference.
2. An appropriate internal risk reporting framework shall be established to compile and report the necessary information for risk management, and to submit risk management-related reports to the Audit Committee and the Board of Directors on regular basis.

Article 16

The company shall disclose its risk management information in accordance with relevant laws and regulations of the competent authority, including:

1. Risk management policies and procedures;
2. Risk governance and management organizational structure;
3. Risk management operations and implementation status (including the frequency and dates of reporting to the Board of Directors and Audit Committee) shall be provided as a reference for external stakeholders and be constantly updated.

Chapter VI Supplementary Provisions

Article 17

These Policies and Procedures shall take effect after being approved by the Board of Directors. The same shall apply to any future amendments.