

# Taiwan Mobile Co., Ltd.

## Risk Management Policy

Established and published on Oct. 27, 2011

First amendment on Oct. 26, 2017

Second amendment on Nov. 06, 2020

Third amendment on Aug. 01, 2022

Fourth amendment on May 14, 2024

### Article 1 Purpose

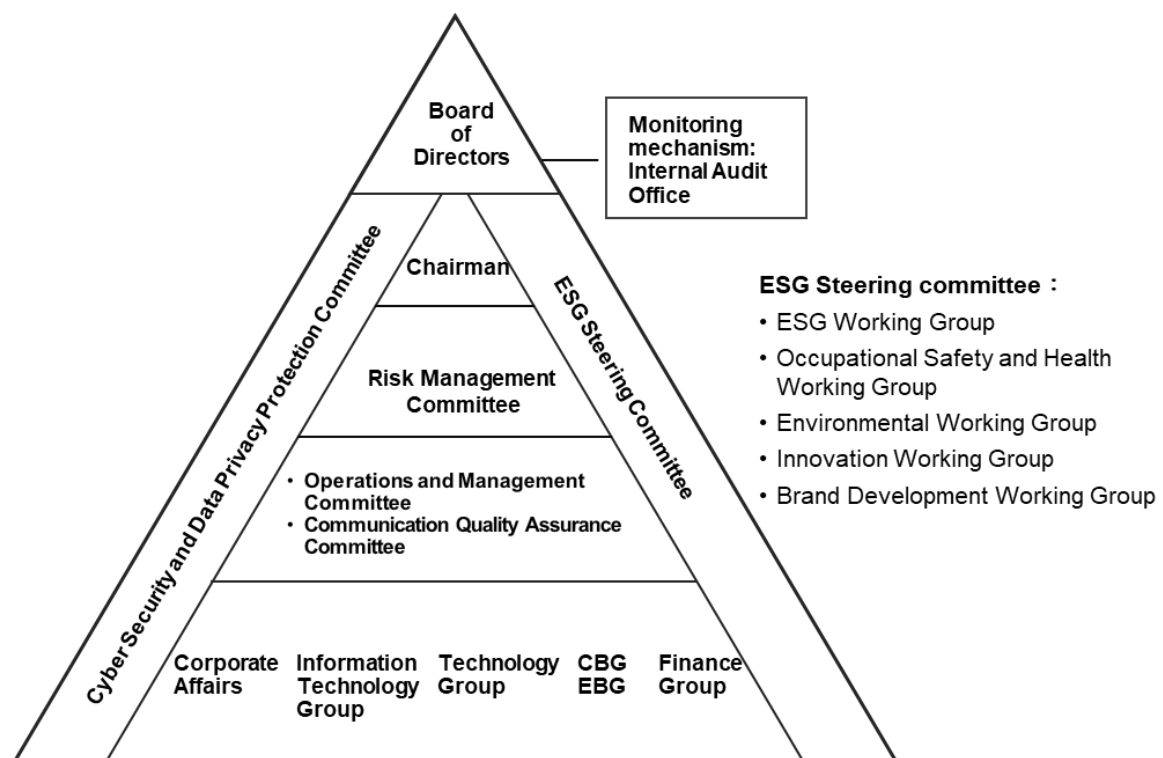
To ensure the Company's sound operation and sustainable development, this Policy is formulated as the highest guiding principle for risk management when the Company and its subsidiaries conduct various business activities.

### Article 2 Risk management policies

1. Promote a risk management-based business model.
2. Establish a risk management mechanism that can effectively cite, evaluate, supervise and control risks.
3. Create a company-wide risk management structure that can limit risks to an acceptable or controllable level.
4. Introduce the best risk management practices and continue to seek improvements

### Article 3 Risk Management Structure and Operating Mechanism:

1. Risk Management Structure



2. The Company's risk management structure is made up of three levels of control mechanism, and a monitoring mechanism:

	Responsible unit	Function
Ground	Corporate Affairs, Information Technology Group, Technology Group, Consumer Business Group, Enterprise Business Group, Home Business Group, Finance Group	Risk factors are analyzed and assigned to responsible units to monitor and ensure timely and effective detection. Each unit shall ensure, on a daily basis, that risks are kept under acceptable levels. Should there be any changes in condition or other factors, the responsible unit shall report these to the Company for an appropriate course of action.
Middle	Risk Management Committee*	Integrate the Company's risk management framework and internal control mechanism. Execute risk management strategies and conduct a review of the efficiency of the overall risk management mechanism.
	1) Operations and Management Committee	Conduct periodic reviews of each business group's operating targets and performance to meet the Company's guidance and budget.
	2) Communication Quality Assurance Committee	Ensure and manage network communication quality.
	ESG Steering Committee	Establish a functional committee governance system, strengthen management functions, and commit to the implementation of corporate social responsibility and sustainable management.
	1) ESG Working Group	Integrate operations and core resources to promote the Company's ESG policies to move toward sustainable development.
	2) Occupational Safety and Health Working Group	Supervise and minimize potential risks to workers' health and safety.
	3) Environmental Working Group	Develop and manage the Company's policies and objectives for environmental and energy management.
	4) Innovation Working Group	Integrate the Company's innovation strategies and establish a management mechanism.
	5) Brand Development Working Group	Implement the brand spirit of "Open Possible" and build a seamless brand experience from the inside out through employee conduct, products and services, internal and external working environments, and marketing communications.
	Cyber Security and Data Privacy Protection Committee	Demonstrate the Company's commitment to these principles by investigating reported breaches of information privacy principles and policies, and, if necessary, take appropriate corrective measures.
TOP	Board of Directors	Responsible for assessing material risks, designating actions to control these risks and keeping track of their execution.
Monitoring mechanism	Internal Audit Office	Regularly monitor and assess potential and varying levels of risks that the Company might face and use this information as a reference for drafting an annual audit plan. Report any discrepancy to the concerned unit chief and ensure that remediation efforts are completed.

\* The Board of Directors exercises control over the ESG Steering Committee and the Cyber Security and Data Privacy Protection Committee. In addition, the Chairman exercises control over the Risk Management Committee. If any major event or incident happens, the responsible unit shall report it to the Operations and Management Committee and the corresponding Committee or Working Group to undertake any necessary measures.

## Article 4 Risk Appetite and Management Scope:

### 1. Risk Appetite Statement:

- All strategies must prudently assess the risks borne by the Company, ensuring consistency with its goals, investments, finances, and corporate objectives.
- Risk considerations must be integrated into operational processes, keeping risks within the Company's tolerance.
- The Company shall not invest in or engage in any business activity beyond its risk tolerance.
- The Company will not tolerate violations or negligence affecting safety, breaches of laws or regulations, or acts of fraud, bribery, or corruption.

### 2. Risk Management Scope:

	Important risk factors	Responsible unit	Examining committee	Decision-making and supervision
1	Operational Risk	Technology Group 、 Information Technology Group	Operations and Management Committee	The highest decision-making body: Board of Directors  Monitoring mechanism: Internal Audit Office
2	Market risk A. Competition B. New Product C. Channel Management D. Inventory Management	Consumer Business Group 、Enterprise Business Group 、Home Business Group		
3	Credit & Collection Risk	Business Operations Management Div. 、 Billing Management Div.		
4	Policy & Legal Compliance	Regulatory and Carrier Relations Division		
5	Benefit of Investment 、 reinvestment, and M&A	President's Office		
6	Interest rate 、Currency and Financial risk	Finance Div.		
7	Loans to others. 、Endorsements and Guarantees 、Derivatives Transactions Fund management	Finance Div.		
8	Financial statement 、Tax risk management	Accounting Div.		
9	Litigation and non-litigation matters	Legal Office		
10	Shareholding Changes of Directors & Major Shareholders	Secretarial Div.		
11	Board of Directors Meetings management	Secretarial Div.		
12	Employee Conduct, Ethics & Integrity	Human Resources Div.		
13	CSR & Emerging Risks	Sustainability & Brand Development Div. 、 Integrated Marketing Communication &	ESG Steering Committee - ESG Working Group - Brand Development Working Group	

	Important risk factors	Responsible unit	Examining committee	Decision-making and supervision
		Membership Platform Div.		
14	Personnel Safety	Occupational Safety & Health Office 、 Administration Div.	Occupational Safety and Health Committee	
15	Personal Data & Information Security	ICT & Personal Information Security Management Div.	Cyber Security and Data Privacy Protection Committee	
16	Technology & Operations Risks	President's Offices' Communication Quality Assurance Dept.	Communication Quality Assurance Committee	
17	Environmental & Energy Risks	Network Engineering Div.	Environmental Working Group	
18	Innovation risk	Consumer Business Group 、 Enterprise Business Group 、 Home Business Group 、 Technology Group 、 Information Technology Group 、 Sustainability & Brand Development Div.	Innovation Working Group	

#### Article 5 Risk Management Process:

The risk management process includes risk identification, risk assessment, risk response, and supervision/review mechanisms.

1. **Risk Identification:** Risk Management Committee 、 ESG Working Group and ESG Steering Committee as the second line of the risk framework and participate in the risk identification process.
2. **Risk Assessment:** Identified risks are assessed based on their impact and likelihood, and assigned a risk level. Except for urgent matters, risk assessments are conducted at least once a year.
3. **Risk Response:** Responsible units should prioritize risks based on their risk level and adopt appropriate strategies and actions to keep them within acceptable levels. Significant risks must be submitted with risk appetite (tolerance) for approval by the Risk Management Committee.
4. **Supervision & Review Mechanism:** Responsible Units must establish monitoring procedures to manage risks effectively. The Audit Office audits high-risk operations according to the audit plan, ensuring risks are effectively controlled.

#### Article 6 Risk Reporting and Disclosure:

1. The Risk Management Committee coordinates risk-related issues and holds meetings at least semiannually. Meeting minutes are approved by the Chairman. The Committee reports to the Board of Directors at least annually to ensure risks are

properly controlled.

2. The scope, structure, and annual operations of risk management will be disclosed on the Company's website.

**Article 7** This Policy shall be adopted for enforcement after the resolution by the Board of Directors. The same procedures shall apply to the amendments.