

Arch Meter Corporation

Compensation Committee Charter

Article 1 Basis and Purpose

In order to establish a sound compensation system for the Company's directors and managerial officers, this Compensation Committee Charter ("the Charter") is adopted pursuant to Article 3 of the Regulations Governing the Establishment and Exercise of Powers of Compensation Committees of Companies Listed on the Stock Exchange or Traded Over the Counter ("the Regulations") for compliance.

Article 2 Scope of Application

Matters related to the authority and responsibilities of the Company's Compensation Committee (the "Committee") shall be governed by the provisions of the Charter, unless otherwise provided by applicable laws or the Articles of Incorporation.

Article 3 Public Disclosure

The Company shall publish the contents of the Charter on its official website and the Market Observation Post System for public reference.

Article 4 Functions of the Committee

The Committee shall act in a professional and objective capacity to evaluate the Company's compensation policies and systems for directors and managerial officers, and shall make recommendations to the Board of Directors for decision-making reference.

Article 5 Composition of the Committee

The Committee shall consist of four members appointed by resolution of the Board of Directors, with a majority of the members being independent directors.

The professional qualifications and independence of the Committee members shall comply with the provisions of Articles 5 and 6 of the Regulations.

Article 6 Term of and Replacement

The term of Committee members shall be the same as that of the Board of Directors by which they are appointed.

If a member is dismissed and the number of members falls below three, the Board shall appoint a replacement within three months from the date of occurrence. If the dismissed member is an independent director and no other independent directors remain, the Company may temporarily appoint a non-independent director to serve

on the Committee until a new independent director is elected and reappointed.

Article 7 Duties

The Committee shall perform the following duties with the care of a prudent manager and in good faith, and shall submit its recommendations to the Board of Directors for discussion:

1. Periodically review the Charter and propose amendments.
2. Establish and periodically review the performance evaluation criteria, annual and long-term performance goals, and the policies, systems, standards, and structure of compensation for directors and managerial officers of the Company, and disclose the performance evaluation criteria in the annual report.
3. Periodically assess the achievement of performance goals by directors and managerial officers, and determine their individual compensation content and amounts based on the evaluation results. The individual performance evaluation results and compensation details, as well as the correlation and reasonableness between them, shall be disclosed in the annual report and reported at the shareholders' meeting.
4. Periodically assess the salary levels of base-level employees as defined under the "Regulations Governing Salary Expense Deduction for SME Employee Pay Raises," and submit the results to the Board of Directors for resolution.

In performing the foregoing duties, the Committee shall adhere to the following principles:

1. Ensure that the Company's compensation arrangements comply with applicable laws and are sufficient to attract top talent.
2. The performance evaluation and compensation of directors and managerial officers shall take into account industry standards, individual performance evaluation results, time devoted, responsibilities assumed, achievement of personal goals, performance in other roles, compensation granted to similar positions in recent years, and the correlation and reasonableness between individual performance, Company operational results, and future risks, based on the achievement of the Company's short-term and long-term business goals and financial condition.
3. Compensation arrangements shall not incentivize directors or managerial officers to engage in conduct that exceeds the Company's risk appetite.
4. The proportion of short-term performance-based compensation and the timing of payment for variable compensation to directors and senior managerial officers

shall be determined based on industry characteristics and the nature of the Company's business.

5. The content and amount of compensation for directors and managerial officers shall be determined with consideration of its reasonableness. Compensation decisions shall not significantly deviate from financial performance. In the event of a substantial decline in profits or prolonged losses, compensation shall not exceed that of the previous year. If compensation does exceed the prior year's level, the rationale shall be disclosed in the annual report and reported at the shareholders' meeting.

6. Committee members shall not participate in discussions or voting regarding their own compensation.

The term "compensation" as referred to in the preceding two paragraphs includes cash remuneration, stock options, profit-sharing, retirement benefits or severance payments, various allowances, and other substantive incentive measures. Its scope shall be consistent with the disclosure requirements for director and managerial officer compensation under the Guidelines for Annual Report Preparation for Public Companies.

Where compensation matters for directors and managerial officers of the Company's subsidiaries require approval by the Company's Board of Directors pursuant to the subsidiary's delegated authority framework, the Committee shall first provide recommendations before such matters are submitted to the Board for discussion.

Article 8 Convening and Holding of Meetings

The Committee shall convene at least twice per year. The notice of meeting shall specify the purpose of the meeting and be delivered to all Committee members at least seven days in advance, except in case of emergency.

The convener and chairperson of the meetings shall be an independent director elected by all Committee members. If the convener is on leave or unable to convene the meeting, another independent director designated by the convener shall act on their behalf. If no other independent directors are available, the convener may designate another Committee member to act in their place. If no designation is made, the remaining Committee members shall elect one among themselves to act as convener.

Article 9 Agenda Setting

The meeting agenda of the Committee shall be determined by the convener. Other members may also propose items for discussion by the Committee.

The meeting agenda shall be provided to Committee members in advance.

When the Committee convenes, the Company shall prepare a sign-in book for attending members to sign for recordkeeping.

Committee members shall attend meetings in person. If unable to attend in person, a member may appoint another member to attend on their behalf. Participation via video conferencing shall be deemed attendance in person.

When a Committee member appoints another member to attend the meeting on their behalf, a written proxy shall be issued for each meeting, specifying the scope of authorization with respect to the matters to be discussed.

Each proxy may represent only one member.

Article 10 Resolution Method

Resolutions of the Committee shall require the consent of more than one-half of all members. If the chairperson of the Committee consults the members and no objections are raised, the resolution shall be deemed adopted and shall have the same effect as a formal vote.

The resolutions shall be reported immediately and recorded accordingly.

Article 10-1 Recusal

When the Compensation Committee discusses matters related to the compensation of its own members, such matters shall be disclosed during the meeting. If there is a potential conflict with the interests of the Company, the concerned member shall not participate in the discussion or voting, and shall recuse themselves during such proceedings. The member shall also not act as a proxy for any other Compensation Committee member in exercising voting rights.

Article 11 Meeting Minutes

The proceedings of the Committee shall be documented in meeting minutes, which shall include the following :

1. The session number, date, time, and venue of the meeting.
2. The name of the chairperson.
3. Attendance status of members, including names and number of those present, on leave, or absent.
4. Names and titles of attendees.
5. Name of the minute taker.
6. Reporting items.
7. Discussion items: resolution methods and results for each proposal; names of

members involved in matters concerning their own compensation pursuant to the preceding article, the details of such compensation, their recusal status, and any dissenting or reserved opinions.

8. Ad hoc motions: name of the proposer; resolution methods and results for each motion; summary of statements made by members, experts, and other participants; names of members involved in matters concerning their own compensation pursuant to the preceding article, the details of such compensation, their recusal status, and any dissenting or reserved opinions.
9. Any other matters required to be recorded.

The Committee's sign-in book shall constitute part of the meeting minutes. For meetings held via video conferencing, the video and audio recordings shall also form part of the meeting minutes.

The meeting minutes shall be signed or stamped by the chairperson and the minute taker, distributed to Committee members within twenty days after the meeting, submitted to the Board of Directors, included in the Company's important records, and retained for five years. The preparation and distribution of the minutes may be conducted electronically.

If any litigation arises concerning matters related to the Committee before the expiration of the retention period mentioned above, the meeting minutes shall be preserved until the conclusion of such litigation.

Article 12 Implementation of Committee Resolutions

For resolutions adopted by the Committee pursuant to the powers defined in Article 7, or for follow-up actions resulting from the appointment of professionals as resolved under Paragraph 2 of Article 13, the Committee may authorize the convener or other members to proceed with implementation.

During the execution period, a written report shall be submitted to the Committee. Where necessary, the matter shall be presented to the Committee for ratification or reporting at the next meeting.

Article 13 Resources for Exercising Authority

When the Committee convenes, it may invite the Company's directors, managers of relevant departments, internal auditors, certified public accountants, legal counsel, or other personnel to attend the meeting and provide necessary information. However, such individuals shall leave the meeting during discussions and voting.

The Committee may, by resolution, appoint legal counsel, certified public accountants, or other professionals to conduct necessary audits or provide

consultation on matters related to the exercise of its authority. Relevant expenses shall be borne by the Company.

Article 14 Implementation

This Charter shall take effect upon approval by the Board of Directors. The same shall apply to any amendments.