

Arch Meter Corporation  
Procedures for Director Election

Article 1: To ensure a fair, impartial, and transparent election of directors, this procedure is established in accordance with Articles 21 and 41 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2: The election of directors of the Company shall be conducted in accordance with this procedure, except as otherwise provided by laws or the Articles of Incorporation.

Article 3: The election of directors of the Company shall take into account the overall composition of the Board. The composition of Board members should consider diversity, and an appropriate diversification policy should be formulated based on the Board's operations, business model, and development needs. Such diversity should include, but is not limited to, the following two major aspects:

1. Basic qualifications and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, technology, professional expertise, and industry experience)."

Members of the Board shall generally possess the knowledge, skills, and qualities necessary for the execution of their duties. Collectively, the Board should have the following competencies:

1. Business judgment
2. Accounting and financial analysis
3. Business management
4. Crisis leadership
5. Industry knowledge
6. Global vision
7. Leadership
8. Strategic decision-making

The majority of board seats shall not be held by individuals who have a spousal or second-degree familial relationship with other directors.

The composition of the Company's Board of Directors shall be reviewed and adjusted based on the results of performance evaluations.

Article 4: The qualifications of the Company's independent directors shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The appointment of the Company's independent directors shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and shall be conducted in accordance with Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 5: The election of the Company's independent directors shall be conducted pursuant to Article 192-1 of the Company Act and the candidate nomination process set forth in the Company's Articles of Incorporation. The acceptance, announcement, and other related matters concerning the nomination of independent director candidates shall be handled in accordance with the provisions of the Company Act, the Securities and Exchange Act, and relevant regulations.

After the Company becomes listed on TWSE/TPEX, the election of all directors shall be conducted in accordance with the preceding provisions.

If a director is dismissed for any reason, resulting in fewer than five directors remaining, the Company shall hold a supplementary election at the next shareholders' meeting. However, if the number of vacancies reaches one-third of the seats specified in the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting for a supplementary election within sixty days from the date of occurrence.

If the number of independent directors falls below the threshold set forth in the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, a supplementary election shall be held at the next shareholders' meeting. If all independent directors are dismissed, an extraordinary shareholders' meeting shall be convened within sixty days from the date of occurrence for a supplementary election.

Article 6: The election of the Company's directors shall adopt the Single-Mark Cumulative Voting System. Each share carries voting rights equivalent to the number of directors to be elected, which may be concentrated on a single candidate or distributed among multiple candidates.

Article 7: The Board of Directors shall prepare ballots equivalent to the number of directors to be elected, with voting rights duly allocated. These ballots shall be distributed to shareholders attending the shareholders' meeting. The voter's name may be replaced by the printed attendance certificate number on the ballot.

Article 8: The Company's directors shall be elected based on the number of seats set forth in the Articles of Incorporation, with voting rights separately calculated for independent and non-independent directors. Candidates receiving the highest number of votes shall be elected in order. If two or more candidates receive the same number of votes and exceed the designated number of seats, the election shall be determined by drawing lots. If a candidate is absent, the Chairperson shall draw lots on their behalf.

Article 9: Before the election begins, the Chairperson shall appoint a certain number of scrutineers and ballot counters from among the shareholders to carry out relevant duties. The ballot box shall be prepared by the Board of Directors and publicly inspected by the scrutineers before voting commences.

Article 10: A ballot shall be deemed invalid if any of the following conditions apply:

1. A ballot not prepared by the convening authority is used.
2. A blank ballot is cast into the ballot box.
3. The handwriting is unclear, making the ballot unrecognizable, or it has been altered.

4.The candidate listed on the ballot does not match the official list of director candidates.

5.Additional text is written on the ballot, except for the allocation of voting rights.

Article 11: After voting is completed, the ballots shall be counted immediately, and the Chairperson shall announce the results on the spot, including the list of elected directors and the number of votes each received.

The ballots from the election shall be sealed and signed by the scrutineers, properly stored, and retained for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the final resolution of legal proceedings.

Article 12: The elected directors shall be issued a Notification of Successful Election by the Company's Board of Directors.

Article 13: This procedure shall become effective upon approval by the shareholders' meeting, and any amendments shall follow the same process.