

Arch Meter Corporation

Regulations Governing Procedure for Board of Directors Meetings

Article 1. Purpose:

To establish a sound corporate governance system for the Board of Directors, enhance supervisory functions, and strengthen management capabilities, this Procedure is formulated in accordance with Article 2 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” for compliance.

Article 2. Scope:

The procedural rules governing the meetings of the Company’s Board of Directors—including key agenda items, operational procedures, required contents of meeting minutes, public disclosures, and other matters to be observed—shall be handled in accordance with the provisions of this Procedure.

Article 3. Definitions:

None.

Article 4. Meeting Procedures:

4.1. Convening of Meetings:

4.1.1 The Board of Directors of the Company shall convene meetings at least once every quarter.

4.1.2 Notices of Board meetings shall specify the purpose of the meeting and be delivered to all directors at least seven days in advance. In the event of an emergency, meetings may be convened at any time.

4.1.3 With the consent of the recipients, the notice of meeting referred to in the preceding paragraph (4.1.2) may be delivered electronically. Matters listed under Section 4.8 of this Procedure shall be specified in the meeting notice, unless there is an emergency or other legitimate reason; such matters shall not be proposed as ad hoc motions.

4.1.4 Meetings of the Company’s Board of Directors shall be convened and chaired by the Chairperson. However, the first meeting of each term shall be convened by the director who received the highest number of votes representing voting rights at the shareholders’ meeting, and such director shall act as the chairperson of that meeting. If there is more than one such director, they shall mutually select one among themselves to act as the chairperson.

4.1.5 If the Chairperson is on leave or otherwise unable to exercise their duties,

the matter shall be handled in accordance with the Company's Articles of Incorporation and Article 208 of the Company Act.

4.2 Location and Time of Meetings:

4.2.1 Meetings of the Company's Board of Directors shall be held at the Company's registered location and during business hours, or at a time and place convenient for directors to attend and appropriate for the conduct of Board meetings.

4.3 A sign-in sheet shall be provided at Board meetings for attending directors to sign in, for recordkeeping purposes.

4.3.1 Directors shall attend Board meetings in person. If unable to do so, they may appoint another director as proxy in accordance with the Company's Articles of Incorporation. Participation via video conferencing shall be deemed as attendance in person.

4.3.2 When a director appoints another director as proxy to attend a Board meeting, a written proxy shall be submitted for each meeting, specifying the scope of authorization with respect to the matters to be discussed.

4.3.3 A proxy may only represent one director per meeting.

4.4 Meeting Attendance:

4.4.1 Depending on the matters to be discussed, relevant personnel from departments or subsidiaries may be notified to attend Board meetings. When necessary, accountants, legal counsel, or other professionals may also be invited to attend and provide explanations. However, they shall leave the meeting during discussion and voting.

4.4.2 At the scheduled meeting time, if more than half of all directors are present, the chairperson shall declare the meeting open. If less than half of all directors are present at the scheduled time, the chairperson may postpone the meeting on the same day, up to two times. If a quorum is still not met after two postponements, the chairperson may reconvene the meeting in accordance with the procedure set forth in Section 4.1.2.

4.4.3 The term "all directors" as used in Sections 4.4.2, 4.7.3, and Subparagraph 2 of Section 4.10.2 refers to directors currently in office.

4.5 Convening of Meetings

4.5.1 The Board of Directors designates the Administrative Support Department as the unit responsible for meeting affairs. This unit shall formulate the agenda for Board meetings and provide adequate meeting materials, which shall be delivered together with the meeting notice.

4.5.2 If any director considers the meeting materials to be insufficient, they may request supplementation from the meeting affairs unit. If any director deems the proposal materials inadequate, the Board may resolve to postpone the deliberation.

4.5.3 The entire process of Board meetings shall be recorded by audio or video for documentation purposes and retained for a minimum of five years. Such records may be stored electronically.

4.5.4 Prior to the expiration of the aforementioned retention period, if any litigation arises concerning resolutions made by the Board, the relevant audio or video records shall continue to be preserved until the conclusion of such litigation.

4.5.5 For meetings convened via video conferencing, the audiovisual materials shall constitute part of the meeting minutes and shall be properly retained throughout the Company's existence.

4.6 Meeting Agenda

The agenda of the Company's regular Board meetings shall include, at a minimum, the following matters:

4.6.1 Reports: (1) Minutes and implementation status of the previous meeting. (2) Significant financial and business reports. (3) Internal audit reports. (4) Other important reports.

4.6.2 Discussion Items: (1) Matters reserved from the previous meeting. (2) Matters scheduled for discussion at the current meeting.

4.6.3 Ad-hoc Motions.

4.7 Meeting Resolutions

4.7.1 The Board of Directors shall proceed in accordance with the agenda set forth in the meeting notice. However, changes may be made with the consent of a majority of the directors present.

4.7.2 The chairperson shall not adjourn the meeting without the consent of a majority of the directors present.

4.7.3 During the course of the meeting, if the number of directors in attendance falls below half of the total number of directors present at the start of the meeting, the chairperson shall, upon proposal by the attending directors, announce a temporary suspension of the meeting and apply the provisions of Section 4.4.2. If the chairperson is unable to preside over the meeting or does not declare adjournment as required by Section 4.7.2, the appointment of a proxy shall be handled in accordance with Section 4.1.5.

- 4.7.4 When the chairperson deems that discussion of a proposal has reached a stage suitable for resolution, they may announce the end of discussion and proceed to a vote.
- 4.7.5 When voting on proposals, if the chairperson consults all directors present and no objections are raised, the proposal shall be deemed approved. If any objection is raised, the proposal shall be put to a vote. Voting shall be conducted by a show of hands, unless otherwise agreed by the directors present to vote by ballot.
- 4.7.6 The term “all directors present” as used in Sections 4.7.4 and 4.7.5 excludes any directors prohibited from exercising voting rights under Section 4.7.11.
- 4.7.7 Unless otherwise provided by the Securities and Exchange Act or the Company Act, resolutions of the Board shall require the attendance of a majority of all directors and the approval of a majority of the directors present.
- 4.7.8 If a proposal includes amendments or alternative motions, the chairperson shall determine the voting sequence together with the original proposal. If any one of the motions is approved, the remaining motions shall be deemed rejected and no further voting shall be required.
- 4.7.9 If vote monitoring and counting personnel are required, they shall be appointed by the chairperson. Vote monitors must be directors.
- 4.7.10 The results of the vote shall be announced immediately and recorded accordingly.
- 4.7.11 Any director who has a personal interest or represents a legal entity with an interest in a matter under discussion shall disclose the material aspects of such interest at the meeting. If the interest may be detrimental to the Company, the director shall not participate in the discussion or voting and shall recuse themselves. They shall also not act as a proxy for other directors in exercising voting rights. Resolutions involving directors prohibited from voting under this provision shall be handled in accordance with Article 206, Paragraph 4 of the Company Act, which applies Articles 178 and 180, Paragraph 2 *mutatis mutandis*.

4.8 Meeting Discussion Items

In addition to matters required by law to be submitted to the Board of Directors for discussion, the following items shall also be submitted to the Company’s Board of Directors for deliberation:

- 4.8.1 The Company’s business plan.

- 4.8.2 Annual financial reports and second-quarter financial reports.
- 4.8.3 Establishment or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter referred to as the “SEA”).
- 4.8.4 Establishment or amendment of procedures for significant financial and business activities, including acquisition or disposal of assets, engagement in derivative transactions, lending of funds to others, and endorsements or guarantees for others, pursuant to Article 36-1 of the SEA.
- 4.8.5 Public offering, issuance, or private placement of equity-type securities.
- 4.8.6 Appointment or dismissal of financial, accounting, or internal audit officers.
- 4.8.7 Donations to related parties or significant donations to non-related parties. However, donations made for emergency relief due to major natural disasters may be submitted for ratification at the next Board meeting.
- 4.8.8 Matters governed by Article 14-3 of the SEA, other matters required by law or the Articles of Incorporation to be resolved by the shareholders’ meeting or the Board of Directors, or other significant matters as required by the competent authority.
- 4.8.9 The term “related parties” as referred to in Subparagraph 4.8.7 shall mean those defined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term “significant donations to non-related parties” shall refer to any single donation or cumulative donations to the same recipient within one year amounting to NT\$100 million or more, or reaching 1% of net operating revenue or 5% of paid-in capital as stated in the most recent CPA-certified financial report.
- 4.8.10 The “one-year period” referred to in Subparagraph 4.8.9 shall be calculated retroactively from the date of the current Board meeting. Donations previously approved by the Board shall be excluded from the cumulative total.
- 4.8.11 At least one independent director shall attend the Board meeting in person. For matters governed by Article 14-3 of the SEA that require Board resolution, independent directors shall attend in person or appoint another independent director as proxy. If an independent director has objections or reservations, such opinions shall be recorded in the meeting minutes. If unable to attend in person to express such opinions, the independent director shall, unless with legitimate reason, issue a written statement in advance, which shall be included in the meeting minutes.

4.8.12 Any director who has a personal interest or represents a legal entity with an interest in a matter under discussion shall disclose the material aspects of such interest at the meeting. If the interest may be detrimental to the Company, the director shall not participate in the discussion or voting and shall recuse themselves. They shall also not act as a proxy for other directors in exercising voting rights. Resolutions involving directors prohibited from voting under this provision shall be handled in accordance with Article 206, Paragraph 4 of the Company Act, which applies Articles 178 and 180, Paragraph 2 mutatis mutandis.

4.9 Voting and Approval

4.9.1 Unless otherwise provided by the SEA or the Company Act, resolutions of the Board of Directors shall require the attendance of a majority of all directors and the approval of a majority of the directors present.

4.9.2 If a proposal includes amendments or alternative motions, the chairperson shall determine the voting sequence together with the original proposal. If any one of the motions is approved, the remaining motions shall be deemed rejected and no further voting shall be required.

4.9.3 If vote monitoring and counting personnel are required, they shall be appointed by the chairperson. Vote monitors must be directors.

4.9.4 The results of the vote shall be announced immediately and recorded accordingly.

4.10 Meeting Minutes

4.10.1 Proceedings of the Company's Board of Directors shall be documented in meeting minutes. The minutes shall accurately record the following items:

(1) The meeting session (or annual session), date, and location.

(2) The name of the chairperson.

(3) Attendance status of directors, including names and number of those present, on leave, or absent.

(4) Names and titles of attendees.

(5) Name of the minute taker.

(6) Report items.

(7) Discussion items: voting method and results for each proposal; summaries of statements made by directors, experts, and other participants; names of directors involved in matters of interest as defined in Section 4.8.12; explanation of the material aspects of such

interests; reasons for recusal or non-recusal; recusal status; any objections or reservations recorded or submitted in writing; and written opinions submitted by independent directors pursuant to Section 4.8.4.

(8) Ad-hoc motions: name of the proposer; voting method and results for each motion; summaries of statements made by directors, experts, and other participants; names of directors involved in matters of interest as defined in Section 4.8.12; explanation of the material aspects of such interests; reasons for recusal or non-recusal; recusal status; and any objections or reservations recorded or submitted in writing.

(9) Any other matters that shall be recorded.

4.10.2 If any of the following circumstances occur in connection with Board resolutions, such matters shall not only be recorded in the meeting minutes but also publicly disclosed and reported via the Market Observation Post System designated by the Financial Supervisory Commission within two days from the date of the Board meeting:

(1) An independent director expresses objections or reservations, which are recorded or submitted in writing.

(2) A resolution is passed with the approval of at least two-thirds of all directors, despite not having been approved by the Company's Audit Committee.

4.10.3 The Board meeting attendance register shall constitute part of the meeting minutes and shall be properly retained throughout the Company's existence.

4.10.4 The meeting minutes shall be signed or stamped by the chairperson and the minute taker, and distributed to all directors within twenty days after the meeting. The minutes shall be classified as important Company records and properly retained throughout the Company's existence.

4.10.5 Preparation and distribution of the meeting minutes may be conducted electronically.

4.11 In addition to the matters listed under Section 4.8 that shall be submitted to the Board of Directors for discussion, any delegation of Board authority pursuant to applicable laws or the Company's Articles of Incorporation shall specify the level, scope, and content of such delegation in clear and definite terms.

Article 5. Implementation and Amendment

These Procedures shall be implemented upon approval by the Board of Directors and shall be reported to the shareholders' meeting. Amendments shall be handled in the

same manner.