

Stock Code: 2102

# FEDERAL CORPORATION

2021 1<sup>st</sup> Extraordinary Shareholders' Meeting

( Nankang Rubber Tire Corp., Ltd. and other 13 parties as  
conveners )

Meeting Handbook

Meeting Time: October 15, 2021

Meeting Location: No. 399, Xinxing Rd., Xinfeng Township,  
Hsinchu County, Taiwan (R.O.C.)

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# FEDERAL CORPORATION

## Meeting Agenda for 2021 1st Extraordinary Shareholders' Meeting (convened by Nankang Rubber Tire Corp., Ltd. and other 13 shareholders)

Date and time: October 15, 2021 (Fri.) at 09:00 AM

Location: No. 399, Xinxing Rd., Xinfeng Township, Hsinchu County, Taiwan (R.O.C.)

- I. Declare Meeting Open by the Chairman.
- II. Chairman's Address.
- III. Election Matter: Re-election of the 9 directors of the Company.
- IV. Other Discussion Matters:
  1. Release the non-competition restriction for the newly elected directors and their representatives.
  2. Cease the disposal of the shares of the Company's subsidiaries, Tai Cheng Development Co., Ltd. and Tai Shin Land Development Co., Ltd. and the land owned by such subsidiaries.
- V. Extempore Motion:
- VI. Meeting Adjourned.

## Election Matters

Summary: Re-election of the 9 directors of the Company.

(Proposed by Nankang Rubber Tire Corp., Ltd. and other 13 conveners)

Explanatory Notes:

1. This Extraordinary Shareholders' Meeting is proposed to re-elect 9 directors (including 3 independent directors). The term of such directors is 3 years. The newly elected directors shall inaugurate on October 15, 2021 after this Extraordinary Shareholders' Meeting ends, and be in position until October 14, 2024.
2. Directors (including independent directors) of the Company shall be elected by adopting candidate nomination mechanism. Shareholders shall elect the directors and independent directors from the nominated candidates listed in the list of director candidates. For the educational background, experience and relevant information of such candidates, please find Attachment 1 on page 7 of this handbook.
3. Please vote.

Result of voting:

## Other Discussion Matters

### Case 1

Summary: Release the non-competition restriction for the newly elected directors and their representatives.

(Proposed by Nankang Rubber Tire Corp., Ltd. and other 13 conveners)

### Explanatory Notes:

1. Article 209 of the Company Act stipulates: “[a] director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such act and secure its approval.”
2. In response to the business needs of the Company and to improve its performance, it is proposed that the 2021 1<sup>st</sup> Extraordinary Shareholders’ Meeting shall approve releasing the non-competition restrictions on newly elected directors and the companies they represent (if any).
3. For the table indicating the company names and positions concurrently held by the newly elected director, please find Attachment 2 on page 9 of this handbook.

### Resolution:

## Case 2

Summary: Cease the disposal of the shares of the Company's subsidiaries, Tai Cheng Development Co., Ltd. and Tai Shin Land Development Co., Ltd. and the land owned by such subsidiaries.

(Proposed by Nankang Rubber Tire Corp., Ltd. and other 13 conveners)

### Explanatory Notes:

1. The board of the Company decided to dispose the shares of the Company's subsidiaries, Tai Cheng Development Co., Ltd. and Tai Shin Land Development Co., Ltd., and the land owned by such subsidiaries on July 22, 2021.
2. However, the real estate market is currently depressed and it is not the best timing to dispose the aforementioned properties. Such decision by the board may not be in the best interests of the Company and all shareholders.
3. Therefore, it is proposed that the Company shall cease the disposal of the shares of the Company's subsidiaries, Tai Cheng Development Co., Ltd. and Tai Shin Land Development Co., Ltd. and the land owned by such subsidiaries based on the decision of the board aforementioned.

### Resolution:

Extempore Motion

Meeting Adjourned

# Attachments



## Attachment 1

**FEDERAL CORPORATION**  
**The 2021 1<sup>st</sup> Extraordinary Shareholders' Meeting**  
**List of Director and Independent Director Candidates**

<b>Type</b>	<b>Candidate's Name</b>	<b>Education</b>	<b>Experience</b>	<b>Current position</b>	<b>Shareholding (Unit: Shares)</b>
Director	Nankang Rubber Tire Corp., Ltd. Representative:Chiang Ching-Hsin	Master's degree in Public Order, University of Leicester, UK	The chairman of Nankang Rubber Tire Corp.; the general manager of Yi-Chiu Group	The director of Nankang Rubber Tire Corp., Ltd. and the supervisor of Nanrong Construction Developments Co., Ltd.	148,768,000
Director	Nankang Rubber Tire Corp., Ltd. Representative:Zhao, Guo-Shuai	EMBA, National Chengchi University	The chairman of China Airlines Ltd.; the chairman of Taiwan Star Telecom Corporation Limited	The vice chairman of Nankang Rubber Tire Corp., Ltd.; the president of Chinese Culture University Alumni Association	148,768,000
Director	Nankang Rubber Tire Corp., Ltd. Representative:Chen, Heng-Kuan	Bachelor of Laws, National Taiwan University; MBA, National Taiwan University	The division chief judge and judge of Taiwan New Taipei District Court; the chief of Criminal Department, Judicial Yuan; the member of Criminal Procedure Research & Amendment Committee, Judicial Yuan; the judge of Taiwan High Court; the lecturer of Training Institute for Judges and Prosecutors for criminal procedure in practice; the member of the Board of Examiners, Examination Yuan.	The chairman of Kuan & Tien Attorneys-At-Law	148,768,000
Director	Taiwan Insulation Applied Technology Co. Representative:Ko, Tso-Liang	Architectural Drafting degree, Nanya Institute of Technology	The director, the chief of administration team and the chief of employees' welfare committee, China Airlines Ltd.	None	20,000

Type	Candidate's Name	Education	Experience	Current position	Shareholding (Unit: Shares)
Director	Huan Xiang Investment Co., Ltd. Representative:Fang, Xiang-Qi	Bachelor of Accounting, Feng Chia University	The supervisor of Chen-Li Education Industry Ltd.; the director of China Fineblanking Technology Co., Ltd.	The general manager of SULDE International Consulting Corp.; the director of Keystones IP Management Co., Ltd.; the director of Success Prime Corp.; the independent director of New Retail Co., Ltd.	15,605,882
Director	Huan Xiang Investment Co., Ltd. Representative:Yu, Chih-Ching	EMBA accounting division, National Taiwan University; Master of Laws, National Taipei University	The director of CJW International Co., Ltd., the director of Taiwan Life Insurance Co., Ltd. and the prosecutor of Taipei District Prosecutors Office	The senior partner of Heng-Sheng Attorneys-At-Law; the director of Federal Corporation	15,605,882

Type	Candidate's Name	Education	Experience	Current position	Shareholding
Independent Director	Cheng, Fu-Yueh	Ph.D. candidate, Department of Banking and Finance, Tamkang University	The independent director of 3DFamily Technology Co., Ltd.; the executive director of International Business Department of Dafeng TV Ltd.	Part-time teacher of China University of Technology and Tamkang University	0
Independent Director	Yao, Wen-Liang	Bachelor, Department of Accounting, National Chung Hsing University	Jhong You CPA Firm; the manager of finance department of Kung Sing Engineering Corporation; the supervisor of Orient Recreation and Development Corp.	The chief accountant of Wei Yuan CPA Firm	0
Independent Director	Chao, Shi-Yi	Master of Science in Real Estate Development and Finance, Massachusetts Institute of Technology	The general manager of Polaris Securities (Hong Kong) Limited	The chairman of Aqua Asia Asset Management, Ltd.; the chairman of Social Entertainment Enterprise Co., Ltd.	100,000

Attachment 2

**FEDERAL CORPORATION**  
The 2021 1<sup>st</sup> Extraordinary Shareholders' Meeting

### Table of Director Candidates' Concurrent Positions

Candidates' Name	The Companies and positions to be released from Non-Competition Restrictions
Nankang Rubber Tire Corp., Ltd. Representative: Chiang, Ching-Hsin	Nankang Rubber Tire Corp., Ltd. Director
Nankang Rubber Tire Corp., Ltd. Representative: Zhao, Guo-Shuai	Nankang Rubber Tire Corp., Ltd. Vice Chairman

# Appendix

## Appendix 1

### FEDERAL CORPORATION Articles of Incorporation

- Article 1 This Corporation is incorporated in accordance with the Company Act and registered under the business name of 泰豐輪胎股份有限公司(泰豐輪胎公司 in short), with English name of “FEDERAL CORPORATION”.
- Article 2 This Corporation’s scope of services is set out hereunder :
1. C804010: Tyres Manufacturing.
  2. C804020: Industrial Rubber Products Manufacturing.
  3. C804990: Other Rubber Products Manufacturing.
  4. F114030: Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
  5. F114050: Wholesale of Tires.
  6. F214030: Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
  7. F214050: Retail Sale of Tires.
  8. F401010: International Trade.
  9. ZZ99999: All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The total amount of this Corporation’s re-investments to the external shall not be restricted by regulations as provided by the Company Act.
- Article 4 This Corporation may make endorsements or guarantees externally as the needs of the business may require.
- Article 5 This Corporation shall have its head office and factories in Taoyuan City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices or factories and branches within or outside the territory of the Republic of China when deemed necessary °
- Article 6 Public announcements by this Corporation shall be made in accordance with the Company Act and other relevant laws and regulations.
- Article 7 The total amount of this Corporation’s capital is NTD 10,000,000,000, which is divided into 1,000,000,000 shares, with a value per share of NTD 10, to be issued by installments by the Board of Directors under authorization, of which may contain part of preferred shares.
- Article 7-1 This Corporation may issue Series A preferred stock, whose rights, obligations and other significant issuance conditions are as follows:
1. Dividend of this preferred stock contains a maximum at 8 percent of the annual rate, calculated at the issuance price per share. Dividends may be distributed in one cash payment annually. The Board of Directors or Chairman under authorization by resolution of the Board of Directors shall set forth a record date for payment of dividend in the previous year available for distribution. The year of issuance and distribution of reclaimed dividend of the year will be calculated on basis of actual issuance date of the year.
  2. This Corporation has discretion over the dividend distribution for this preferred stock. Where the Board of Directors has resolved not to distribute

preferred stock due to lack of earnings in final accounts or deficiency in earnings available for preferred stock distribution or other considerations necessary for this Corporation, such resolution does not compose a breach of contract. This preferred stock is of non-cumulative type, whose dividend as resolved not to distribute or insufficient in distribution, will not be cumulated in the amount for deferred payments in the following year(s) which there are earnings.

3. Shareholders of this preferred stock, except for the dividends as mentioned in the subparagraph 1 of this paragraph, are not entitled to distributions of common stock concerning earnings and capital reserve in cash and capitalization.
4. This preferred stock may not be converted to common stock.
5. The priority of shareholders of this preferred stock is higher than common stock shareholders in distribution of the remaining properties of this Corporation, and the shareholders of various preferred stock issued by this Corporation are of identical compensation order and are preceded by general creditors; however, the amount shall be limited to the values as calculated by issuance price of the issued and outstanding preferred shares upon distribution.
6. Shareholders of this preferred stock do not have the voting and election rights in a common stock shareholders' meeting; however, the said shareholders have the voting rights in a preferred stock shareholders' meeting and a shareholders' meeting whose resolutions might have disadvantage to rights and obligations of preferred stock shareholders.
7. This preferred stock does not have a maturity date, and shareholders of this preferred stock may not require this Corporation to redeem this preferred stock at his/her possession; however, this Corporation may redeem all or part of this preferred stock any time after five years of issuance at the actual issuance price. Rights and obligations under the issuance conditions as prescribed in subparagraphs of this paragraph remain effective to unredeemed portions of this preferred stock. In case this Corporation has resolved the dividend distribution for the year, the dividend required to be distributed as of redemption date shall be calculated based on actual days of issuance of the year.
8. Capital reserve for the issuance of this preferred stock at premium may not be capitalized throughout the issuance period of this preferred stock, except for covering losses.

Name, issuance date and concrete issuance condition(s) of this preferred stock are decided based on capital market circumstances and subscription willingness by the investors in accordance with these Articles of Incorporation and relevant laws and regulations by the Board of Directors at actual issuance.

Article 7-2 This Corporation may issue Series B preferred stock, whose rights, obligations and other significant issuance conditions are as follows:

1. Dividend of this preferred stock contains a maximum at 8 percent of the annual rate, calculated at the issuance price per share. Dividends may be distributed in one cash payment annually. The Board of Directors or Chairman under authorization by resolution of the Board of Directors shall set forth a record date for payment of dividend in the previous year available for

- distribution. The year of issuance and distribution of reclaimed dividend of the year will be calculated on basis of actual issuance date of the year.
2. This Corporation has discretion over the dividend distribution for this preferred stock. Where the Board of Directors has resolved not to distribute preferred stock due to lack of earnings in final accounts or deficiency in earnings available for preferred stock distribution or other considerations necessary for this Corporation, such resolution does not compose a breach of contract. This preferred stock is of non-cumulative type, whose dividend as resolved not to distribute or insufficient in distribution, will not be cumulated in the amount for deferred payments in the following year(s) which there are earnings.
  3. Shareholders of this preferred stock, except for the dividends as mentioned in the subparagraph 1 of this paragraph, are not entitled to distributions of common stock concerning earnings and capital reserve in cash and capitalization.
  4. This preferred stock may not be converted within three years from issuance date. The duration which this preferred stock may be converted is set forth in actual issuance conditions by the Board of Directors under authorization. Shareholders of the convertible preferred shares may, in accordance with issuance condition, convert part or all the preferred stock in possession into the common stock by the ratio of one preferred stock to one common stock (conversion ratio is 1:1). Rights and obligations for the convertible preferred stock after converted into common stock are equivalent to those of common stock. Where this preferred stock has been converted to common stock prior to ex-right (dividend) date in the year of conversion. In case the common stock earnings and capital reserve distribution of the year is participated, participation to preferred stock dividend distribution may not be made. Where this preferred stock is converted into common stock after the ex-right (dividend) date of the year and is in participation of preferred stock distribution of the year may not participate in common stock earnings and capital reserve distribution of the year. Dividends (interests) for preferred stock and common stocks of the same year are in principle not distributed repetitively.
  5. The priority of shareholders of this preferred stock is higher than common stock shareholders in distribution of the remaining properties of this Corporation, and the shareholders of various preferred stock issued by this Corporation are of identical compensation order and are preceded by general creditors; however, the amount shall be limited to the values as calculated by issuance price of the issued and outstanding preferred shares upon distribution.
  6. Shareholders of this preferred stock have the voting and election rights in a common stock shareholders' meeting, which are equivalent to common stock shareholders.
  7. This preferred stock does not have a maturity date, and shareholders of this preferred stock may not require this Corporation to redeem this preferred stock at his/her possession; however, this Corporation may redeem all or part of this preferred stock any time after five years of issuance at the actual issuance price. Rights and obligations under the issuance conditions as prescribed in subparagraphs of this paragraph remain effective to unredeemed

portions of this preferred stock. In case this Corporation has resolved the dividend distribution for the year, the dividend required to be distributed as of redemption date shall be calculated based on actual days of issuance of the year.

8. Capital reserve for the issuance of this preferred stock at premium may not be capitalized throughout the issuance period of this preferred stock, except for covering losses.

Name, issuance date and concrete issuance condition(s) of this preferred stock are decided based on capital market circumstances and subscription willingness by the investors in accordance with these Articles of Incorporation and relevant laws and regulations by the Board of Directors at actual issuance.

Article 7-3 This Corporation may issue Series A preferred stock, whose rights, obligations and other significant issuance conditions are as follows:

1. Dividend of this preferred stock contains a maximum at 4 percent of the annual rate, calculated at the issuance price per share. Dividends may be distributed in one cash payment annually. The Board of Directors or Chairman under authorization by resolution of the Board of Directors shall set forth a record date for payment of dividend in the previous year available for distribution. The year of issuance and distribution of reclaimed dividend of the year will be calculated on basis of actual issuance date of the year.
2. In case there is no earnings in the final account of the year, and capital reserve of this preferred stock is not sufficient for distribution of dividend of this preferred stock, the dividend undistributed or insufficient for distribution shall be accumulated and complemented in priority in the following year(s) which there are earnings.
3. Shareholders of this preferred stock, except for the dividends as mentioned in the subparagraph 1 of this paragraph, are not entitled to distributions of common stock concerning earnings and capital reserve in cash and capitalization.
4. This preferred stock may not be converted within three years from issuance date. The duration which this preferred stock may be converted is set forth in actual issuance conditions by the Board of Directors under authorization. Shareholders of the convertible preferred shares may, in accordance with issuance condition, convert part or all the preferred stock in possession into the common stock by the ratio of one preferred stock to one common stock (conversion ratio is 1:1). Rights and obligations for the convertible preferred stock after converted into common stock are equivalent to those of common stock. Where this preferred stock has been converted to common stock prior to ex-right (dividend) date in the year of conversion. In case the common stock earnings and capital reserve distribution of the year is participated, participation to preferred stock dividend distribution may not be made. Where this preferred stock is converted into common stock after the ex-right (dividend) date of the year and is in participation of preferred stock distribution of the year may not participate in common stock earnings and capital reserve distribution of the year. Dividends (interests) for preferred stock and common stocks of the same year are in principle not distributed repetitively.
5. The priority of shareholders of this preferred stock is higher than common



stock shareholders in distribution of the remaining properties of this Corporation, and the shareholders of various preferred stock issued by this Corporation are of identical compensation order and are preceded by general creditors; however, the amount shall be limited to the values as calculated by issuance price of the issued and outstanding preferred shares upon distribution.

6. Shareholders of this preferred stock have the voting and election rights in a common stock shareholders' meeting, which are equivalent to common stock shareholders.
7. This preferred stock does not have a maturity date, and shareholders of this preferred stock may not require this Corporation to redeem this preferred stock at his/her possession; however, this Corporation may redeem all or part of this preferred stock any time after five years of issuance at the actual issuance price. Rights and obligations under the issuance conditions as prescribed in subparagraphs of this paragraph remain effective to unredeemed portions of this preferred stock. In case this Corporation has resolved the dividend distribution for the year, the dividend required to be distributed as of redemption date shall be calculated based on actual days of issuance of the year.
8. Capital reserve for the issuance of this preferred stock at premium may not be capitalized throughout the issuance period of this preferred stock, except for covering losses.

Name, issuance date and concrete issuance condition(s) of this preferred stock are decided based on capital market circumstances and subscription willingness by the investors in accordance with these Articles of Incorporation and relevant laws and regulations by the Board of Directors at actual issuance.

Article 8 Stocks of the Company are in form of registered shares, and the share certificates shall be affixed with the signatures or personal seals of directors this Corporation, numbered, and shall be duly certified or authenticated by the competent authority to certify shares under the laws before issuance thereof. This Corporation may print its share certificate in combined form following total number of shares in each issuance of new shares and may also be exempted from printing its share certificate, and shall register the issued shares with a centralized securities depository enterprise, and shall transact following regulations of such enterprise.

Article 9 Transfers of ownership or via inheritance or gift, making of pledge, loss, or other stock affairs of this Corporation's stocks shall be conducted in accordance with the Company Act and relevant laws and regulations. Taiwan Depository & Clearing Corporation may request a merger for reissuance of securities in larger denominations.

Article 10 Shareholders' meetings of this Corporation are of two kinds: (1) regular meeting and (2) special meeting. Shareholders' meetings of this Corporation shall be convened as provided by the Company Act. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes, whose distribution may be made in public announcements.

A special shareholders' meeting may be convened in accordance with relevant laws and regulations when necessary.

Article 11 Except in the circumstances of restrictions or otherwise provided for in relevant laws and regulations, a shareholder of this Corporation shall have one voting power in respect of each share in his/her/its possession.

Article 12 If a shareholders' meeting or a Board of Directors meeting is convened, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave, the chairperson shall appoint one of the directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the directors shall select one person from among themselves to serve as chair

Article 13 This Corporation shall have 7 to 11 directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors shall be eligible for re-election. Total number of registered shares held by all directors may not be less than a certain percentage of the total amount of paid-in capital of this Corporation, which shall be provided by the competent authority.

The number of directors as set forth in the preceding paragraph shall contain no fewer than three independent directors, which is no less than one-fifth of all directors. Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Shareholders shall elect the directors and independent shareholders from the list of candidates, whose acceptance of nomination, public announcement and other relevant affairs shall be handled in compliance with the Company Act, Securities and Exchange Act and other relevant rules and relevant regulations.

The "audit committee" established by this Corporation pursuant to Article 14-4 of the Securities and Exchange Act shall be composed of the entire member of independent directors °

Number of members, terms, duties and rules for meeting procedure of the audit committee shall be transacted in accordance with organic regulations set forth with reference to Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 14 The Directors shall constitute the Board of Directors and shall elect one Chairman of the Board from among themselves by a majority at a meeting attended by at least two-thirds of the Directors. The Chairman shall externally represent this Corporation.

Article 15 Where a director of this Corporation concurrently serves as a managerial role or employee, in addition to travel expenses for directors, he/she is entitled to salary and subsidies equivalent to general employees of this Corporation.

Article 16 The Board of Directors shall perform their duties as empowered by the Company Act and shareholders' meeting of this Corporation. In case a Board of Directors meeting cannot be convened after convening in accordance with relevant laws and regulations and with the reasons for convening such meeting listed, the Chairman under authorization may make decisions within the scope under the original reasons for convening the meeting, with the decisions made submitted for ratification after the Board of Directors meeting has been convened.

Article 17 Where a Board of Directors is convened, a director may appoint another director to attend a meeting of the board of directors in his/her behalf ; however, a director may

accept the appointment to act as the proxy of one other director only. The notice for calling a meeting of the directors may be effected by means of writing, electronic email or facsimile.

Article 18 This Corporation may obtain all directors and significant managerial roles liability insurance.

Article 19 Where the Chairman and the directors of this Corporation perform duties of this Corporation, this Corporation shall provide compensations whose amount is set forth by the Board of Directors under authorization on basis of such duty's involvement in operations of this Corporation and value of contribution as well as general level of compensation as provided in the same industry.

Article 20 This Corporation may have managerial officers. Appointment, discharge and the compensation of the managerial officers shall be effected by resolution of the Board of Directors.

Article 21 The fiscal year of this Corporation starts on 1st of January of each year and ends on 31st of December of the same year. After the close of each fiscal year, relevant reports and statements shall be prepared by the Board of Directors, and shall be submitted to the regular meeting of shareholders for acceptance following legal procedure.

Article 22 If there is profit (i.e. benefits of profit before tax before deduction of employees' and directors' compensation) at the end of each fiscal year, a ratio of profit of the current year distributable as employees' and directors' compensation shall be appropriated. The distribution ratio for employees' compensation shall not be less than 1% and the directors' compensation distributed shall not be more than 3%. However, this Corporation's accumulated losses (incl. adjustment to undistributed earnings) shall have been covered first.

Parties entitled to receive shares or cash as employees' compensation as mentioned in the preceding paragraph may include the employees of parents or subsidiaries of the Company meeting certain specific requirements, and the directors' compensation as mentioned in the preceding paragraph shall only be distributed in cash.

The distributions as mentioned in the preceding two paragraphs shall be resolved by the Board of Directors before submitting to the shareholders' meeting.

Article 22-1 After closing of accounts, if there are earnings, this Corporation shall first pay the tax, make up the losses for the preceding years, set aside a legal reserve of 10% of the net profit, and then designate special reserves following relevant regulations; if there are still earnings, this Corporation may in priority distribute the dividends for preferred shares of the current year, and then the Board of Directors shall propose distribution of earnings (including the adjustment to undistributed earnings) herein before reporting to the shareholders' meeting for resolution on distribution of shareholders' dividends. In case a cash dividend is to be distributed, such distribution shall be adopted by a majority of directors in the board of directors' meeting attended by more than two-third of all directors before reporting to the shareholders' meeting.

As the industry this Corporation is under is currently in maternity, in consideration of future capital needs and financial planning, as well as shareholders' equity, the Board of Directors of this Corporation shall, depending on operation circumstances,

set aside an earning distribution between the proportion between 5% and 100% before submitting to the regular shareholders' meeting. Earnings distribution shall be in priority in form of cash dividend and may be made in equity, which shall be in principle not more than 80% of the total dividend; however, the earnings may be retained for this Corporation's material investment plans and future development, etc.

Article 23 These Articles of Incorporation shall be effected by resolution in a shareholders' meeting.

Article 24 In regard to all matters not provided for in these Articles of Incorporation, the Company Act and other relevant laws and regulations shall govern

Article 25 These Articles of Incorporation are agreed to and signed on September 19, 1955.47th Amendment was made on August 31, 2021.

## Appendix 2

### FEDERAL CORPORATION

#### Rules of Procedure for Shareholders' Meeting

- Article 1 Except as otherwise provided by relevant laws and regulations, this Corporation's shareholders meetings shall be convened as provided in these Rules.
- Article 2 Shareholders as referred to in these Rules refers to the shareholder him/herself and his/her proxy for attending the shareholders' meetings.
- Article 3 Where a shareholder attends the meeting, he/she shall present attendance card, or hand in a sign-in card in lieu of signing in. Where a sign-in card is handed in will be deemed the attendance of shareholder or his/her proxy as stated on such card in presence, and this Corporation will not be liable under such circumstances. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- Article 4 Attendance at shareholders meetings shall be calculated based on numbers of shares. When the government or a juristic person is a shareholder, the number of representatives at a shareholders meeting shall not be more than the number of incumbent directors (including independent shareholders). When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 5 The venue for a shareholders meeting shall be the premises (office building or factory) of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 6 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall delegate one director to serve as chair; Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 7 The chair shall call the meeting to order at the appointed meeting time and announce number of shares without voting rights and number of shares represented by the attending shareholders. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement,

provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of this Corporation A

Article 8 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs, except by a resolution of the shareholders meeting. After the meeting is adjourned, shareholders may not elect a new chair and resume the meeting at the same or another venue.

Article 9 Deleted.

Article 10 The chairman may reject the request on the head count of attending shareholders as made by shareholders. Where the resolution of a proposal has been made by a quorum, such proposal will be deemed as passed.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her attendance card number, and name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. For any restriction to a shareholder's proxy within the proxy form or in other ways, speaking or voting by the proxy in the meeting shall prevail, without regards to acknowledgement of this Corporation.

Article 12 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item as stated in the preceding paragraph, the chair may terminate the speech.

Article 13 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14 Any matter which is not a proposal will not be discussed or put into a vote. Upon discussion of proposals, the chair may announce the discussion closed. Where the proposals with discussion closed are called for a voting through ballots, voting on the proposals may be made simultaneously but shall be made separately.

- Article 15 Except as otherwise provided in the regulations, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders (or their proxies). Any proposal without objection shown by any attending shareholder upon inquiry by the chair is deemed as passed, whose effects are equivalent to proposals adopted via voting. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 16 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or under relevant laws and regulations.
- Article 17 Except as otherwise provided in the Company Act and in this Corporation's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.
- Article 18 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. The results of the voting shall be announced on-site at the meeting and made into records.
- The election of directors at a shareholders meeting shall be held in accordance with the "Regulations Governing Directors" Election" adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected as well as the names of those not elected as directors and the numbers of votes with which they have obtained.
- Article 19 This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- Article 20 This Corporation shall make an uninterrupted audio and video recording of the proceedings of the shareholders meeting. The recorded materials of the proceedings shall be retained for at least one year.
- Article 21 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor" or an identification card.
- Article 22 When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 23 Matters not attended by these Rules shall be handled in compliance with the Company Act and other relevant rules and relevant regulations.
- Article 24 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

1st Amendment was made on June 15, 2015.

2nd Amendment was made on August 31, 2021.



## Appendix 3

### Federal Corporation Measures for Election of Directors

- Article 1 The Directors of the Company shall be elected in accordance with these measures.
- Article 2 In the process of electing directors, the single disclosed cumulative voting system is adopted. The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates.
- Article 3 At the commencement of the election, the chairman shall designate a number of shareholders to supervise the casting of the ballots and handle related operations.
- Article 4 The number of directors of the Company to be elected shall be in accordance with the number specified in the Company's Articles of Incorporation. A candidate to whom the ballots cast representing the highest number of votes shall be deemed an elected director. If a shareholder is elected as a director, he or she shall decide to become a director. The vacancy of his/her position shall be filled by the candidate receiving the majority of votes.
- For the election mentioned above, if two or more candidates receive the same number of votes, which consequently exceeds the number of directors to be elected, such candidates shall draw lots to decide the winner. If such candidate(s) is(/are) not present, the chairman shall draw lots on behalf of the candidate(s).
- Article 5 The ballots shall be produced by the Company, which shall set forth the number of voting rights.
- Article 6 The voters shall fill in the ballot in accordance with the rules set forth in the ballot.
- Article 7 A ballot is deemed void if any of the following circumstances occurs:
1. Ballots other than as prescribed in Article 5 are used.
  2. The number of candidates filled in exceeds the prescribed number.
  3. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or uniform number) and the number of voting rights allotted.
  4. The writing is unclear and indecipherable or has been altered.
  5. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
- Article 8 The ballots shall be counted on site upon the completion of voting. The results shall be announced by the Chairman immediately.

Article 9 The first Board of Directors' meeting shall be convened by the director receiving most votes.

Article 10 These measures shall be implemented and revised upon the approval of the shareholders meeting. The date of first revision was June 15, 2017.

## Appendix 4

**FEDERAL CORPORATION**  
Table of Shareholding of Current Directors

Record Date: September 16, 2021

Title	Name		Shares Held on Book Closure Date
			Shares
Chairman	Ma, Shu-Jian		4,004,160
Director	Representatives of Da-Tian Investment Co., Ltd.	Ma, Pei-Jun	1,742,861
Director	Representatives of Ma Chi-Shan Foundation	Wu, De-Feng	2,760,901
Director		Yu, Chih-Ching	
Director	Nankang Rubber Tire Corp., Ltd.	Zhao, Guo-Shuai	148,768,000
Independent Director	Li, Tian-Hsiang (note 1)		0
Independent Director	Tso, Wei-Li (note 2)		20
Independent Director	Zhou, Xin-Ru (note 3)		0
Total Shares Held by All Directors (Independent Directors excluded)			157,275,922
Regulatory Minimum of Shares Held by All Directors			16,000,000
Shares Issued			473,329,207

Note 1: The Shareholder's proposal to "dismiss the independent director Li, Tian-Hsiang," plus the Board of Directors' proposal to "Appointment of external professionals to conduct due diligence processes to demonstrate no reasons for dismissal based on shareholder proposals" has been adopted by 2021 Annual Shareholders' Meeting of the Company.

Note 2: The Shareholder's proposal to "dismiss the independent director Tso, Wei-Li," plus the Board of Directors' proposal to "Appointment of external professionals to conduct due diligence processes to demonstrate no reasons for dismissal based on shareholder proposals" has been adopted by 2021 Annual Shareholders' Meeting of the Company.

Note 3: The Shareholder's proposal to "dismiss the independent director Zhou, Xin-Ru," plus the Board of Directors' proposal to "Appointment of external professionals to conduct due diligence processes to demonstrate no reasons for dismissal based on shareholder proposals" has been adopted by 2021 Annual Shareholders' Meeting of the Company.